

OTP Fund Management Private Limited Company

Summary

OTP Fund Management

OTP Fund Management Ltd.

Effective from 1 January 2025

Fund Manager Remuneration Policy

**(based on the Fund Manager Remuneration Policy adopted
in a consolidated form with the amendments of 3 June
2025)**

(based on the Fund Manager Remuneration Policy adopted in a consolidated
structure with amendments dated 3 June 2025)

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I. INTRODUCTORY PROVISIONS

I.1. Purpose of the Fund Manager Remuneration Policy

(1) The purpose of the Fund Manager Remuneration Policy is to ensure that OTP Fund Management Ltd. (the “Fund Manager”) to comply with its obligations under Sections 26/A and 33 of the Kbtv. as a UCITS fund manager, alternative investment fund manager and investment service provider by having a remuneration policy that is consistent with the Applicable Rules and in line with effective and efficient risk management, and that promotes its application, which does not encourage risk-taking that is incompatible with the risk profile and management rules of the Funds (ABÁs and ÁÉKBVs) managed by the Fund Manager. A further objective of the Remuneration Policy is to provide effective organisational and administrative solutions to ensure that the Fund Manager, as an investment service provider, take all reasonable steps to prevent conflicts of interest arising from the management of the Funds. and Act CXXXVIII of 2017 on the rules governing investment firms and commodity exchange service providers and the activities they may perform (including the management of the portfolio of the employer pension service provider institution).

(2) The Fund Manager, as a subsidiary of the Bank Group subject to consolidated supervision with OTP Bank Nyrt. (“Bank”), is subject to the Bank Group Remuneration Policy pursuant to Section 117 (4) of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (“Hpt.”). Section 117 (4) of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Hpt.). Accordingly, in matters not regulated by the Fund Manager Remuneration Policy, the Fund Manager shall follow the principles set out in the Bank Group Remuneration Policy and, where applicable, shall apply the rules of the regulations constituting the Bank Group Remuneration Policy and any additional regulations and procedures adopted in connection with its implementation, without prejudice to the Fund Manager Remuneration Policy.

II. GENERAL PROVISIONS

II.1. Scope of the regulations

II.1.1. Material scope

(3) The scope of the Fund Manager Remuneration Policy covers remuneration paid by the Fund Manager to Key Persons. The Fund Manager Remuneration Policy

sets out the Fund Manager's obligations to comply with the rules on remuneration.

(4) The Fund Manager Remuneration Policy applies to the following payments made to the persons concerned

a/ any payment or benefit provided by the Fund Manager,

b/ any amount paid directly by the collective investment scheme managed by the Fund Manager, including performance fees,

c/ the transfer of investment units of collective investment schemes managed by the Fund Manager in any form,

d/ any amount paid directly by the Fund Manager's Clients, including performance fees,

if the Fund Manager provided Key Persons as compensation for professional services rendered by

(5) The following shall also be considered remuneration all payments made by the collective investment scheme or any Client directly to the Fund Manager or to specific members of the Fund Manager's staff as compensation for the professional services they provide (with the exception of reimbursement of expenses) if their payment would result in circumvention of the rules governing remuneration.

(6) The Fund Manager's Remuneration Policy does not apply to supplementary payments and benefits made by the Fund Manager or the collective investment scheme managed by the Fund Manager on a general, non-discriminatory basis as part of a policy covering the Fund Manager as a whole, provided that they do not constitute an incentive in terms of risk-taking. Furthermore, financial support and benefits provided by the Fund Manager to its employees on the basis of a decision covering the entire OTP Bank Plc. Bank Group, on the basis of predetermined, uniform criteria and without consideration, and which do not in any way constitute remuneration for work, such as utility subsidies or other expense allowances provided to employees.

(7) The scope of the Fund Manager's Remuneration Policy also covers payments and benefits provided by the Fund Manager as rewards and/or bonuses to employees who are not classified as Key Personnel. The scope of the Fund Manager Remuneration Policy also covers extraordinary financial benefits that the Fund Manager grants to its best-performing employees on a differentiated basis, based on performance evaluation, in accordance with a decision that also applies to the OTP Bank Nyrt. Banking Group.

II.1.2. Personal scope

(8) The specific provisions and rules of the Fund Manager Remuneration Policy apply to all employees who are not covered by the Bank Group Remuneration Policy, mainly:

- i. the principles of performance-related pay,
- ii. the rules for performance evaluation,
- iii. determination of the amount available for performance-related pay,
- iv. the conditions for entitlement to performance-related pay,
- v. the occurring , changes and termination termination .

All provisions of the Fund Manager Remuneration Policy shall also apply to persons designated as Key Persons (officers and employees designated as such) who are not covered by the Bank Group Remuneration Policy.

(9) In addition to senior officers and persons performing internal control functions, Key Persons include officers and employees who, through their professional activities, have a material impact on the risk profile of the Fund Manager or the risk profile of the funds managed by the Fund Manager.

(10) For the purposes of the Fund Manager's Remuneration Policy, the following persons holding the following positions or performing the following duties are considered Key Persons:

- a/ the chairperson and members of the Fund Management Board;
- b/ the managing directors;
- c/ the heads of professional areas, with the exception of employees assigned to manage certain (support) areas who are not considered managers;
- d/ the heads and employees of internal control functions (risk management, compliance¹, internal audit);
- e/ portfolio managers;
- f/ all other employees who, in the course of their professional activities, may have a significant impact on the risk profile of the Fund Manager or the collective investment scheme managed by the Fund Manager, either individually or through an organisational unit or working group;

¹ From 1 January 2024, compliance staff will only be employed on a multiple employment basis, in which case the primary employer will not be the Fund Manager, and therefore the rules of the Fund Manager's Remuneration Policy will not apply to them (13)

g/ based on their total remuneration, employees in the same remuneration category as senior management (the Fund Manager's CEO and managing directors) and employees responsible for risk-taking, whose professional activities have a material impact on the risk profile of the Fund Manager or the collective investment scheme managed by it.

(11) The total remuneration range of senior management and employees responsible for risk-taking, which ranges from the lowest to the highest remuneration in the category, shall be considered the same remuneration category.

(12) The annex to the Fund Manager's Remuneration Policy identifies whether a Fund Manager employee falls within the scope of Key Personnel for the purposes of the Fund Manager's Remuneration Policy based on their job classification. The methodology for determining Key Personnel is set out in the annex to the Fund Manager Remuneration Policy.

(13) Employees employed by the Fund Manager under multiple employment relationships are not covered by the Fund Manager's Remuneration Policy if their primary employer is not the Fund Manager. If the Fund Manager is not the primary employer, the rules applicable at the primary employer shall govern the remuneration of employees employed under multiple employment contracts.

(14) The Chief Executive Officer of the Fund Manager, as the chief executive of the Fund Manager, is subject to the personal scope of the Bank Group Remuneration Policy.

II.2. Interpretative provisions

(15) The terms highlighted below shall have the meanings specified below for the purposes of the Fund Manager's Remuneration Policy, while terms not specifically defined in this section or in any other section of the policy shall have the meanings specified in the relevant legislation:

(16) Fund: an alternative investment fund as defined in Section 4(1)(1) of the Kbtv., i.e. an ABÁ or an ÁÉKBV as defined in Section 4(1)(8) of the Kbtv. Fund remuneration or fixed remuneration: the fixed part of remuneration that is not linked to the achievement of bank group, fund manager, group-level and individual-level objectives.

(17) Base remuneration or fixed remuneration: the fixed part of remuneration that is not linked to the achievement of bank group, fund manager, group-level and individual-level objectives, the main components of which are the basic salary and certain wage supplements and allowances payable under the law or employment contract, and, in the case of members of the board of directors and supervisory board, honoraria.

(18) Deferral period: the period between the determination and payment of variable remuneration during which part of the variable remuneration is withheld.

(19) Remuneration:

a/ any payment or benefit provided by the Fund Manager;

b/ any amount paid directly by the Fund, including profit sharing; and

c/ any transfer of the Fund's investment units or shares in any form, provided that it is made in consideration for professional services provided by employees identified by the Fund Manager;

d/ any amount paid directly by the Fund Manager's Clients, including success fees.

For the purposes of points b) and d), remuneration shall also include payments made directly by the Fund or any Client to the Fund Manager, with the exception of reimbursement of expenses, as compensation for professional services provided by the relevant categories of employees of the Fund Manager, the payment of which would otherwise result in the circumvention of the relevant remuneration rules.

(20) Risk performance reassessment: performance assessed for the given performance measurement period prior to the fulfilment of the deferred performance-related remuneration due, based on changes in the past behaviour of the person concerned and the risk effects of such changes, based on the financial situation of the institution – and, accordingly, changing the amount of the performance-related remuneration due in the manner and to the extent specified in the remuneration policy.

(21) **Central (extraordinary) bonus**: a bonus/premium/ad hoc support approved by the Bank at group level, including subsidiaries.

(22) Malus: an agreement that allows the Fund Manager to reduce the value of deferred variable remuneration in whole or in part for the Fund Manager as a whole, the relevant organisational unit or individual employees on the basis of ex post risk adjustments prior to the payment of deferred remuneration. Malus is a form of ex post risk adjustment.

(23) Portfolio: the funds and financial instruments made available to the Fund Manager by the Client, which are invested in financial instruments for the benefit of the Client under the terms and conditions specified in advance in the contract concluded with the Client, on the basis of the order given by the Client in the portfolio management contract, and managed by the Fund Manager,

that the Client bears the risk and return, i.e. the loss and profit, arising from the acquired financial instruments directly.

(24) Performance-related pay or variable remuneration: the part of the remuneration that the Fund Manager may provide to senior managers and employees in addition to their basic remuneration if they perform at or above the level specified in their employment contract and/or target/performance statement, or perform tasks not specified therein.

(25) Performance measurement period: the period for which the employee's performance is evaluated and measured, on the basis of which their remuneration is subsequently determined

(26) Client: a person who uses the individual portfolio management service provided by the Fund Manager pursuant to Section 5(1)(d) of the Bszt (including the management of the portfolio of the employer pension service provider).

(27) Reclaim: an agreement in which the employee agrees to return ownership of a certain amount of the remuneration paid to him or her to the Fund Manager under certain circumstances. This is possible in the case of both immediate and deferred variable remuneration. When applied in connection with risk outcomes, clawback is a form of ex post risk adjustment.

II.3. Regulatory background

(28) Legal and internal regulatory background of the Fund Manager Remuneration Policy:

- a/ Act XVI of 2014 on collective investment forms and their managers, and on the amendment of certain financial laws ("Kbftv.");
- b/ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC, and amending Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the "AIFM Directive");
- c/ Commission Directive of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, c/ Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the "AIFM Regulation");
- d/ Guidelines on sound remuneration policies under the AIFM Directive issued by the European Securities and Markets Authority (ESMA) on 3 July 2013 under reference ESMA/2013/232 (ESMA Remuneration Guidelines);

- e/ Guidelines on sound remuneration policies under the UCITS Directive issued by the European Securities and Markets Authority (“ESMA”) under ESMA/2016/575 on 14 October 2016, on sound remuneration policies under the UCITS Directive (the “ESMA UCITS Remuneration Guidelines”);
- f/ Recommendation 3/2018. (I.16.) of the Magyar Nemzeti Bank on the remuneration policy to be applied by UCITS fund managers (the “MNB UCITS Recommendation”);
- g/ Recommendation 4/2018. (I.16.) of the Magyar Nemzeti Bank on the remuneration policy to be applied by alternative investment fund managers (“MNB AIFM Recommendation”);
- h/ Recommendation 22/2019. (XII.17.) of the Magyar Nemzeti Bank on remuneration policy and practice applicable to the provision of investment services;
- i/ Regulation 2019/288 adopted by the European Parliament and the Council on sustainability-related disclosures in the financial services sector (“SFDR Regulation”);
- j/ Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and the terms defined for the purposes of that Directive;
- k/ Act CXXXVIII of 2017 (“Bsz”);
- l/ in the part covered by the Bank Group Remuneration Policy, those parts of the Bank Group Remuneration Policy in force at any given time and the banking regulations implemented by the Fund Manager to ensure its implementation, which are relevant and applicable to the Fund Manager in terms of their subject matter and content;
- m/ where applicable to the Fund Manager as described in point (i), the legislation referred to in the regulations under point (i), as well as those parts of supervisory recommendations and guidelines that are applicable to the Fund Manager.

III. DETAILED PROVISIONS

III.1. Principles and expectations to be applied in relation to the Fund Manager Remuneration Policy

(29) The Fund Manager Remuneration Policy is consistent with the business strategy, objectives, values

and interests, and includes measures to avoid conflicts of interest. The Fund Manager Remuneration Policy is consistent with the business strategy, objectives, values and interests of the Fund Manager and its Clients, and includes measures to avoid conflicts of interest.

(30) The Fund Manager Remuneration Policy is also consistent with the business strategy, objectives, values and long-term interests of the Fund Manager and its shareholders, taking into account the profitability, risks and capital of the Bank Group.

(31) Within the legal framework, the Fund Manager applies the individual provisions in accordance with its specific characteristics arising from its size, internal organisation, nature, scope and complexity of its activities, and legal form (principle of proportionality).

(32) By applying the Fund Manager Remuneration Policy, the Fund Manager aims to ensure the appropriate management of risks arising in the course of its operations, in particular sustainability risks. In accordance with the relevant European Union legislation, sustainability risks are defined as risks arising from the environmental and social impact of the investments of the investment funds and other client portfolios managed by the Fund Manager, as well as from the corporate governance systems and practices of the companies affected by the investments. In order to achieve this objective, the Fund Manager shall identify the categories of managers and other employees whose activities may have a significant impact on the risk profile of the investment funds and other client portfolios under management, including sustainability risks. In order to ensure that performance-based remuneration does not encourage excessive sustainability risk-taking, the Fund Manager takes into account, when determining performance measurement and determining the level of performance-based remuneration, the Fund Manager shall take into account how the activities of the person concerned have contributed to the appropriate management of the sustainability risks of the managed funds and other client portfolios.

(33) The funds managed by the Fund Manager and the Fund Manager's Clients shall not pay and may not pay any form of remuneration directly to the Fund Manager's employees, nor shall they provide any benefits, consideration or compensation to them in any form in respect of their activities as employees of the Fund Manager. or consideration to the Fund Manager's employees, and the funds shall pay the consideration for the fund management activities exclusively to the Fund Manager, as specified in their management rules and in the portfolio management agreements concluded with their clients.

(34) The Fund Manager's activities are complex and, in addition to fund management (as collective portfolio management), also include portfolio management as defined in Section 5(1)(d) of the Bszt. Furthermore, due to the significant number of funds, there is no fund that meets the condition set out in Section 13(1)(m) of the Kbftv. that the management of a given investment fund

would account for at least 50% of the total portfolio managed by the investment fund manager, and in view of the content of the funds' management rules, the statutory provision according to which, depending on the management rules of the investment fund, a significant part, i.e. at least 50%, of any variable remuneration component must consist of collective investment securities of the investment fund concerned or equivalent assets other than cash, does not apply. Nevertheless, in accordance with the provisions of paragraph (65), the Fund Manager shall pay [60 or 40] per cent of the variable remuneration to the Key Personnel in the form of cash, while [40 or 60] per cent of the performance-related remuneration payable under the deferral rules shall be determined and paid in the form of investment units issued by the OTP Capital Guaranteed Short Bond Fund. [40 or 60] per cent of the performance-related remuneration payable under the deferral rules shall be determined and paid in investment units issued by the OTP Capital Guaranteed Short Bond Fund, in such a way that the deferred component of the variable remuneration consists entirely of investment units. The variable remuneration of employees who are not classified as Key Persons shall be determined and paid by the Fund Manager exclusively in cash.

(35) The payment of performance-based remuneration shall be aligned with the business cycle of the OTP Bank Group and the Fund Manager, in accordance with the provisions of these rules.

(36) The Fund Manager shall ensure that a prudent balance is maintained between the assessment of the financial situation and performance-related remuneration and the payment thereof. The Fund Manager shall ensure that the total performance-based remuneration assessable in a given year and the total performance-based remuneration payable in a given year do not adversely affect the Fund Manager's financial position.

(37) The most important principle of the Fund Manager's Remuneration Policy is that the level of performance-related remuneration is linked to the achievement of fund manager-level, group-level and individual objectives, subject to prior and subsequent risk assessment.

(38) Remuneration systems shall in all cases take into account competencies, compliance with applicable laws, fair treatment of clients, quality criteria reflecting the quality of services provided to clients, the evaluation of individual job positions, employee skills and performance.

(39) The level of performance-based remuneration is determined on the basis of a combined assessment of the objectives.

(40) The ratio of fixed and performance-related remuneration is determined in accordance with paragraph (59) in such a way that, in the case of the Fund Manager, it adequately reflects the function, size and complexity of the organisational unit, the significance of the activity performed within the Fund Manager's business, its impact on the effectiveness of the Fund Manager's business, and be in line with competitive market trends.

III.2. Elements of the remuneration system for fund managers

(50) The main elements of the remuneration system applied by the Fund Manager are:

- a/ base remuneration or fixed remuneration
- b/ performance-based remuneration

(51) The main components of the base remuneration are:

- a/ base salary
- b/ fringe benefits

(52) When determining base salaries, the level of remuneration is always adjusted to the possibilities arising from the Fund Manager's business results, while also taking into account the position held and the complexity of the activities performed.

(53) The Fund Manager applies a system of fringe benefits covering all employees, which is governed by the Fund Manager's relevant regulations and instructions.

III.3. Subsystems of performance-based remuneration (variable remuneration)

(54) The performance-based remuneration system at the Fund Manager consists of the following subsystems:

- a/ success fee-based subsystem ("SDA")
- b/ non-success fee-based subsystem ("NSDA")

(55) The SDA subsystem is based on the amount corresponding to a specified percentage of the positive performance fees paid to the Fund Manager by the individual managed funds and Clients, as follows:

- a/ in the case of SDA-1, an amount corresponding to a specified percentage of the positive performance fees paid by each managed fund to the Fund Manager,
- b/ In the case of SDA-2 and SDA-3, an amount corresponding to a specified percentage of the positive performance fees paid by the Clients for each managed fund,

which, if the relevant conditions are met, shall be used for the variable remuneration of employees covered by the Fund Manager's Remuneration Policy, within the framework of the other subsystems (SDA-1, SDA-2 and SDA-3) and in accordance with their rules.

(56) The amount of performance-based remuneration that may be granted under the NSDA subsystem shall always be adjusted to the Fund Manager's business results, taking into account the position held and the complexity of the activities performed.

(57) In addition to the subsystems detailed in paragraph (54), in cases approved by the Bank, it is possible to pay a central (extraordinary) bonus to employees covered by the Fund Manager's remuneration policy.

(58) In the case of employees who are subject to the Fund Manager's Remuneration Policy but are not classified as Key Personnel, the total remuneration includes performance-based remuneration, taking into account the tasks actually performed, the main principles of which are in line with the fundamental objective of the Fund Manager's Remuneration Policy. For this group of persons, performance-based remuneration takes the form of a bonus.

III.4. Determining the ratio of fixed and performance-based remuneration

(59) The ratio of fixed and performance-based remuneration is determined in such a way that, in the case of the Fund Manager, it adequately reflects the function, size and complexity of the managed organisational unit, the significance of the activity performed within the Fund Manager's business activities, its impact on the effectiveness of the Fund Manager's business activities, and in line with competitive market trends, provided that the ratio of performance-based remuneration for any individual concerned may not exceed the upper limit specified in the annexes to the Fund Manager's Remuneration Policy for the various performance-based remuneration subsystems in relation to the fixed remuneration for the given remuneration category, except in the case specified in the Fund Manager Remuneration Policy. Taking into account the above characteristics, the ratio of fixed and performance-based remuneration is determined on a differentiated basis as detailed in the annexes.

(60) Within the scope of the Remuneration Policy, the ratio of fixed and performance-based remuneration elements for each position within the Key Personnel Group shall be determined by the Chief Executive Officer of the Fund Manager, within the framework set out in the Fund Manager's Remuneration Policy, taking into account the following criteria:

- a/ the performance measurement system and the risk levels ,
- b/ the deferred assessment and payment period,
- c/ the structure of the given organisational unit, the nature and complexity of its activities,
- d/ the position of employees in the organisational hierarchy, and

e/ the risk-taking/decision-making levels assigned to each position.

(61) Members of the Fund Management Board and Supervisory Board may be entitled to a fixed honorarium in this capacity, but shall not receive performance-based remuneration.

III.5. Principles and methods of performance-based remuneration

(62) Objectives and performance evaluation are carried out in accordance with the applicable "Performance Measurement and Evaluation Rules".

(63) The basic principle of the performance measurement and evaluation system is that the level of remuneration based on performance evaluation is linked to the level of achievement of the strategic objectives of the banking group/subsidiary and individual objectives within the framework of a two-level performance measurement system, in addition to the preliminary and subsequent assessment of risks.

(64) The strategic and individual objectives, including the target tasks, are determined annually by the Fund Manager, which reserves the right to change them during the year in view of changes in market conditions and the employer's economic interests in line with this.

III.6. Performance-based remuneration instruments and payments, and general rules for deferral

(65) For persons covered by the Fund Manager Remuneration Policy, performance-based remuneration shall be paid uniformly in the form of cash and financial instruments, as specified in paragraph (34).

(66) For key personnel covered by the Fund Manager Remuneration Policy, 40% of the performance-based remuneration determined at the individual level

a/ 40% shall be deferred if the amount of performance-based remuneration payable to the beneficiary does not exceed 24 times the beneficiary's average gross monthly base salary for the current year;

b/ 60% shall be deferred if the amount of performance-related remuneration payable to the beneficiary exceeds 24 times the beneficiary's average gross monthly base salary for the current year.

(67) The deferral period for the deferred portion of the performance-related remuneration is 3 years, during which the amount of the deferred payment shall, as a general rule, be as follows:

- a/ if 40% of the performance-related remuneration has been deferred, 14% of the deferred portion shall be paid in the year following the year of payment of the first (non-deferred) portion of the performance-related remuneration (n+2), and 13% in each of the following years [(n+3) and (n+4), where "n" is the current year, i.e. the year under review], 13-13% of the deferred portion shall be paid, provided that the conditions for payment are met;
- b/ if 60% of the performance-related remuneration has been deferred, 20% of the performance-related remuneration shall be paid in each of the three years following the year of payment of the first (non-deferred) part of the performance-related remuneration, provided that the conditions for payment are met.

(68) Variable remuneration granted in the SDA subsystems is fully covered by the Fund Manager's Remuneration Policy, including its rules on the deferral of performance-related remuneration for three years – excluding employees who are not classified as Key Personnel – and other related rules. However, the upper limit on the amount of variable remuneration that may be paid in each SDA subsystem differs.

(69) Variable remuneration paid in the NSDA subsystem – excluding employees who are not classified as Key Persons – is also subject to the rules on deferring performance-related remuneration payments for three years and other related rules.

(70) Throughout the entire deferral period, consideration must be given to any effects that may arise in the meantime in connection with the activities of persons covered by the Fund Manager Remuneration Policy, and, depending on these, the amount of remuneration to be paid in a deferred manner shall be reduced, if necessary, up to 100% of the deferred payment due in the given year.

(71) The deferred portion of performance-based remuneration is determined and paid out by the Fund Manager in investment units issued by the OTP Capital Guaranteed Short Bond Fund.

(72) Eligibility for deferred payments is determined on the basis of criteria for assessing prudent operation and an evaluation of the risks associated with the activities of the persons concerned, in accordance with the relevant provisions of the Fund Manager's Remuneration Policy.

(73) Based on the values of the criteria for assessing prudent operation, the Fund Manager's Supervisory Board decides on the payability of deferred instalments, with the proviso that, based on the assessment of the individual risks associated with the activities of the persons concerned, the entitlement to individual deferred instalments and the amount thereof shall be determined by the body/manager exercising the employer's rights (in the case of the Fund Manager, the Chief Executive Officer).

(74) Agreements on benefits exceeding the cases and/or limits set out in the Fund Manager's Remuneration Policy may only be concluded with the prior approval of the Fund Manager's Supervisory Board and the Fund Manager's Remuneration Committee.

III.7. Operation of the Remuneration System

(75) The Fund Manager's Supervisory Board decides on the adoption and amendment of the Fund Manager Remuneration Policy and supervises its implementation.

(76) The Fund Manager's Board of Directors is responsible for implementing the Fund Manager Remuneration Policy and reviewing it at least once a year. The Fund Manager's Board of Directors shall ensure that internal regulations and individual declarations/agreements applied in the same area are in line with the provisions of the Bank Group Remuneration Policy.

(77) Within the framework of the division of labour within the Fund Manager's Board of Directors, the Fund Manager's Chief Executive Officer, as the Fund Manager's chief executive and the person exercising employer's rights in respect of the Fund Manager's employees, shall perform the tasks falling within the scope of the implementation of the Fund Manager's Remuneration Policy, including making employer decisions arising in this context.

(78) The central (extraordinary) bonus referred to in paragraph (57), approved by the Bank at group level, including subsidiaries, may be paid with the approval of the Chief Executive Officer of the Fund Manager, with subsequent notification to the Fund Manager's Remuneration Committee.

(79) The provisions of the Bank Group and Fund Manager Remuneration Policy, as well as its enforcement, shall be reviewed at least once a year by the Fund Manager's internal audit department, which shall submit a written report on this to the Fund Manager's Board of Directors, Remuneration Committee and Supervisory Board. Based on the internal audit report, the Fund Manager's Board of Directors shall, if necessary, make proposals for amendments to the Fund Manager Remuneration Policy and develop appropriate procedures. The Fund Manager Remuneration Committee shall also have the right to make proposals and to comment on proposals made by the Fund Manager's Board of Directors.

(80) The tasks of the Fund Manager Remuneration Committee are as follows:

- a/ to be responsible for preparing decisions on remuneration that affect risk and risk management, which are to be taken by the Fund Manager's Supervisory Board;

- b/ directly supervising the performance-related remuneration of the risk management and compliance managers (including other employees performing internal control functions): the CEO of the Fund Manager shall inform the Fund Manager's Remuneration Committee of his decisions in this regard in advance or retrospectively, depending on the case or his choice, with the proviso that the Fund Manager's Remuneration Committee may make comments or recommendations depending on the nature of the decision; may also make recommendations in this regard;
- c/ approves agreements on benefits exceeding the cases and/or limits set out in the Fund Manager Remuneration Policy in the event of termination of employment;
- d/ verifies that the Fund Manager complies with its disclosure obligations regarding remuneration issues;
- e/ prepares a report on its activities at least once a year for the Fund Manager's Supervisory Board and Board of Directors;
- f/ performs all other tasks assigned to it by other provisions of the Fund Manager's Remuneration Policy, legislation, internal regulations or the Fund Manager's Supervisory Board.

(81) The internal auditor, the compliance officer and the risk management officer shall, in close cooperation with the Supervisory Board and the Chief Executive Officer, assist in the proper development and, where necessary, amendment of the Fund Manager's Remuneration Policy in order to promote effective risk management. In this context:

- a/ the internal auditor shall regularly perform an independent audit of the development, implementation and effects of the Fund Manager's Remuneration Policy,
- b/ the compliance officer must analyse how the remuneration structure affects the Fund Manager's compliance with laws, regulations, internal policies and rules,
- c/ the risk management officer must assess how the variable remuneration structure affects the Fund Manager's risk profile.

III.8. Provisions aimed at avoiding conflicts of interest

(82) The Fund Manager's Remuneration Committee shall be constituted in such a way that it can assess remuneration policies and practices, as well as incentives created for risk management, in a competent and independent manner.

(83) The Fund Manager Remuneration Committee shall – in accordance with Section 3 of Annex 13 to the Kbtv., Section 58 of the ESMA AIFM Remuneration Guidelines, Section 60 of the ESMA UCITS Remuneration Guidelines, and points 46-47 of the MNB ABAK Recommendation and points 46-47 of the MNB ÁÉKBV Recommendation – shall consist of members of the management body performing supervisory tasks who do not perform management tasks. In view of these rules, the chairmanship of the Fund Manager Remuneration Committee is held by the chair of the Fund Manager Supervisory Board, and the other two members of the Fund Manager Remuneration Committee are the other two members of the Fund Manager Supervisory Board.

(84) Employees classified as Key Personnel under the Bank Group Remuneration Policy and the Fund Manager Remuneration Policy may not employ individual hedging strategies that would weaken the effects of risk-taking in determining the amount of performance-based remuneration by providing compensation in the event of a downward adjustment of performance-based remuneration. The foregoing does not preclude the persons concerned or the Bank or the Fund Manager from taking out liability insurance against any losses related to risk-taking, thereby mitigating the level of risk affecting the Bank or the Fund Manager as a whole.

IV. FINAL PROVISIONS

(85) This summary has been approved by the Supervisory Board of the Fund Manager and its publication has been ordered.