DOCUMENTS FOR THE ANNUAL GENERAL MEETING

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

TO BE HELD ON 16 APRIL, 2015

Date and venue of the AGM: 16 April, 2015, 10 a.m.
Budapest Music Center

Dear Shareholder,

The Annual General Meeting of the Company was convened by the Board of Directors of MOL Plc. for 16 April 2015, 10 a.m., whose agenda is contained in the announcement published as stipulated in the Articles of Association. The announcement was published on 16 March 2015 on the homepages of Budapest Stock Exchange and MOL.

Agenda items of the Annual General Meeting:

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.

This document is published in Hungarian and in English. The official text of this document is in Hungarian only.

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 and the relevant laws. **The record date of the shareholders' identification shall be April 7, 2015.** 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 April 14, 2015, and upon instruction of the Board of Directors, KELER Zrt. shall **close the Share Register on April 14, 2015,** 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 that 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 by phone (+36-1-483 6251) or personally at the Share-register Office of KELER Zrt. (address: H-1074 Budapest, Rákóczi út 70-72., R-70 Irodaház) on any workday between 09.00 a.m. and 03.00 p.m. 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 1,000 (i.e. one thousand forint) each subject to the restrictions specified in the Articles of Association. The "B" series preference share entitles its holder to one (1) 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.

In case shareholders wish to give a power of attorney in an **official form** ("proxy card") as defined in Article 13.6 of the Articles of Association, they shall submit such request to the Investor Relations Department of MOL Plc until April 15, 2015 at the latest in writing (mailing address: 1117 Budapest, Október huszonharmadika u. 18.) or e-mail to investorrelations@mol.hu. The request shall contain the exact name and address (mailing or e-mail address) of the shareholder where the form (proxy card) should be delivered to.

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 April 15, 2015 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 Plc 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 (101 Barclay Street, 22 West New York, NY 10286, Tel: 00 1 212 815 3503, Fax: 00 1 212 571 3050, email: slawek.soltowski@bnymellon.com).

MOL Investors Relations Department will be pleased to be at your disposal for further information, as well (phone: +361 464 1395, fax: +361 464 1335).

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 request our shareholders to kindly report 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. The 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.

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 April 28, 2015 at 10.00 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, 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.

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 16 March 2015:

Types of shares	Share series	Par value (HUF/share)	Issued number	Total par value (HUF)
ordinary	„A” series	1,000	104,518,484	104,518,484,000
voting preference	„B” series	1,000	1	1,000
ordinary	„C” series	1,001	578	578,578
Share capital		-	-	104,519,063,578

Number of voting rights attached to the shares on 16 March 2015:

Share series	Issued number	Shares with voting rights	Voting right per share	Total voting rights	Number of treasury shares
„A” series	104,518,484	104,518,484	1	104,518,484	1,542,147
„B” series	1	1	1	1	0
„C” series	578	578	1.001	578.578	578
Total	-	-	-	104,519,063.578	-

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 one vote.

AGENDA ITEM No. 1

Report of the Board of Directors on the 2014 business operation; presentation of the financial statements drawn up in compliance with the Accounting Act (the parent company's financial statements in compliance with the Accounting Act and the generally accepted accounting principles in Hungary and the consolidated financial statements in compliance with International Financial Reporting Standards as adopted by the European Union ("IFRS")); proposal on the use of profit after taxation

Management Discussion and Analysis of 2014 Business Operations

SUMMARY OF 2014 RESULTS

In 2014, MOL delivered a clean CCS EBITDA of HUF 511bn (or USD 2.2bn) which is a mere 1% decrease in HUF terms compared to 2013.

In Upstream the 24% or HUF 86bn lower result excluding special items was mainly attributable to a lower oil price environment, the natural decline of matured assets and adverse regulatory changes. The combined effect of regulated gas price reduction and doubled royalty in Croatia reached HUF 20bn in 2014. Moreover, the impact of asset divestures in Russia (ZMB in Q3 2013 and 49% of Baitex in Q1 2014) has only been partially mitigated by new asset purchases in the North Sea and intensified field development activities in our international operations. However, Upstream segment met its strategic targets, delivered the forecasted production level and the lower lifting costs in 2014 on a like-for-like portfolio basis.

The Downstream division's clean CCS results were 32% ahead of similar figures of 2013. The group refinery margin as well as the integrated petrochemical margin widened, which together with better retail performance supported the results. Implemented efficiency improvement measures also had a key role in the outstanding results. In 2014 MOL successfully completed its 3-year New Downstream Program, which delivered USD 500mn improvement, hence elevated the results. However, a few planned and unplanned shutdowns and the non-recurring costs of Mantova Refinery conversion hindered the full capture of more favourable market conditions.

Gas Midstream's contribution was more than 37% lower than a year ago. This significant drop was a result of forced gas inventory sale due to regulatory changes in Croatia and lack of storage revenues following the sale of MMBF in Q4 2013.

In 2014, MOL Group generated HUF 422bn operating cash flow, before working capital changes, which was 16% behind the 2013 value. The decrease reflects the fact that reported EBITDA shrank (by HUF 113bn) well ahead of clean CCS figures on a similar basis (down by HUF 5bn).

- **Upstream:** The Upstream segment's EBITDA, excluding special items, reached HUF 270bn, lower than 2013's performance by 24%. This performance was negatively affected by (1) lower average realized hydrocarbon prices due to unfavourable changes in oil and gas prices (2) the reduction of regulated gas price and doubled royalty in Croatia (3) lower production from matured CEE assets and due to Russian divestures (ZMB in Q3 2013 and 49% of Baitex in Q1 2014), (4) higher exploration costs in relation to accelerated international work programmes and (5) the Q1 2013 Upstream performance being increased by HUF 8bn non-recurring revenue due to modification of the transfer parity of Croatian crude oil.

- **Downstream:** In Downstream, clean-CCS based EBITDA came in 32% stronger and amounted to HUF 206bn. The improvement was supported by (1) a 23% uplift of the integrated petrochemical margin, (2) a significantly improving retail contribution supported by sales increase in core countries and higher captured margins, (3) the widening Group refinery margin by over 1 USD/bbl, (4) positive sales margins development, (5) the implementation of New Downstream Efficiency measures.

- **Gas Midstream:** in 2014, EBITDA, excluding special items, amounted to HUF 37bn, 37% lower compared to the base period. This significant drop is a result of forced gas inventory sale due to regulatory changes in Croatia and lack of storage revenues following the sale of the Hungarian storage unit (MMBF) in Q4 2013 (HUF 21bn contribution in the base period). The Hungarian gas transmission business delivered solid results in light of a further cut in regulated returns in November, 2013.

- **Corporate and other segment** delivered an EBITDA improvement of HUF 21bn in 2014 and amounted to HUF (22bn). Beyond cost-cutting measures in the corporate centre, this was mostly attributable to higher contributions from oil service companies due to a better utilization rate of rigs.

- **Net financial expenses** rose to HUF 104bn in 2014 compared to HUF 58bn in base period, mainly as a result of the weakening HUF which mostly represented in net foreign exchange losses on borrowings and payables.

- **CAPEX spending** reached HUF 534bn in 2014 of which HUF 135bn targeted inorganic investments mainly through the completion of North Sea acquisition and a retail network acquisition composed of 44 stations in the Czech Republic. Organic CAPEX amounted to HUF 399bn. In consistence with our strategy, organic CAPEX spending was skewed to Upstream with HUF 205bn spent. Downstream CAPEX grew nearly 100% year-on-year and organic expenditure amounted to HUF 173bn, 44% of which relates to the construction of the Butadiene plant, the LDPE4 unit and the reconstruction of Friendship I. crude oil pipeline, while the remaining 56% percent is made up by maintenance, sustain, legal and efficiency type spending.

- **Operating cash flow** before working capital changes dropped by 16% to HUF 422bn mostly due to lower Upstream cash generation. Operating cash flow amounted to HUF 435bn (lower by 29% compared to the base period), reflected also the higher cash outflows in the working capital lines.

- **The decreasing trend of indebtedness ratios stopped, however still remained on favourable levels.** The slight increase is partially due to cash outflow regarding current year’s upstream and retail asset acquisitions, partially due to FX changes. Net gearing ratio increased to 19.6% at the end of the period increasing by close to 4 percentage point against the base period, while net/debt to EBITDA reached 1.31 by the end of the year.

Key financial data by business segment

Net sales revenues	**FY 2013 (HUF mn)**	**FY 2014 (HUF mn)**	**FY 2013 (USD mn)[5]**	**FY 2014 (USD mn)[5]**
Upstream	608,258	514,092	2,719	2,215
Downstream	4,847,969	4,410,471	21,672	19,008
Gas Midstream	385,522	232,806	1,723	1,006
Corporate and other	201,009	217,220	899	932
Total	**6,042,758**	**5,374,589**	**27,013**	**23,161**

Total External Net Sales Revenue	**5,400,417**	**4,866,607**	**24,141**	**20,975**

EBITDA	**FY 2013 (HUF mn)**	**FY 2014 (HUF mn)**	**FY 2013 (USD mn)[5]**	**FY 2014 (USD mn)[5]**
Upstream	367,005	285,784	1,641	1,233
Downstream	108,492	95,512	485	428
Gas Midstream	55,930	37,020	250	157
Corporate and other	(42,201)	(23,509)	(189)	(99)
Inter-segment transfers [2]	31,832	13,557	142	57
Total	**521,058**	**408,364**	**2,329**	**1,776**

EBITDA excl. special items [3]	**FY 2013 (HUF mn)**	**FY 2014 (HUF mn)**	**FY 2013 (USD mn)[5]**	**FY 2014 (USD mn)[5]**
Upstream	356,498	270,381	1,594	1,165
Downstream	134,579	110,795	602	488
Clean CCS-based DS EBITDA [3,4]	156,827	206,333	701	874
Gas Midstream	58,781	37,019	263	157
Corporate and other	(42,201)	(21,532)	(190)	(91)
Inter-segment transfers [2]	(13,431)	13,558	(60)	57
Total*	**494,226**	**410,221**	**2,209**	**1,776**
Clean CCS-based EBITDA [3,4]	**516,474**	**510,607**	**2,308**	**2,183**

Operating profits	**FY 2013 (HUF mn)**	**FY 2014 (HUF mn)**	**FY 2013 (USD mn)[5]**	**FY 2014 (USD mn)[5]**
Upstream	142,432	75,275	637	352
Downstream	(169,659)	(31,579)	(758)	(113)
Gas Midstream	34,009	23,532	152	99
Corporate and other	(62,351)	(43,525)	(279)	(184)
Inter-segment transfers [2]	36,941	16,377	165	69
Total	**(18,628)**	**40,080**	**(83)**	**223**

Operating profits excl. special items [3]	**FY 2013 (HUF mn)**	**FY 2014 (HUF mn)**	**FY 2013 (USD mn)[5]**	**FY 2014 (USD mn)[5]**
Upstream	175,290	110,301	784	485
Downstream	6,986	(306)	31	10
Gas Midstream	36,860	23,532	165	99
Corporate and other	(62,351)	(40,835)	(279)	(174)
Inter-segment transfers [2]	(8,322)	16,377	(37)	69
Total	**148,463**	**109,069**	**664**	**489**

** In 2014 intersegment line contains HUF 4.848mn (USD 21mn) non-recurring inventory loss related to methodology changes, which impacted the Group CCS line.*

Notes and special items listed in Appendix I and II.

OUTLOOK OF THE STRATEGIC HORIZON

Around USD 2bn is achievable in 2015 with our strong, resilient integrated business model

2014 was a challenging year not only for MOL, but for the whole oil & gas sector with oil price plunging by almost half. Despite a tough external environment, MOL managed to deliver strong results by reaching a USD 2.2bn Clean CCS EBITDA level. Furthermore, we managed to sustain a strong cash flow generating ability, growing our capital expenditures to an all-time high, while keeping gearing and indebtedness at relatively low levels, 19.6% and 1.31x respectively.

The last twelve months demonstrated that MOL is well shielded against sharp drops in oil prices, and will continue to be so for the foreseeable future given the strength and resilience of our integrated business model. Having achieved the right balance between Upstream and Downstream (each contributing 53% and 40% respectively to Group CCS EBITDA in 2014) will allow MOL to reach around USD 2bn CCS Group EBITDA for 2015, even at around 60 USD/bbl environment.

MOL invested the highest level of organic CAPEX (USD 1.7bn) of the last five years during 2014 to fuel its future growth. For 2015 we foresee a $1.5-1.8bn CAPEX level, retaining further flexibility due to a combination of scope adjustments, the potential effect of lower oil prices on key partners and an increased scrutiny on project evaluation.

In line with our conservative financial policy organic CAPEX expected to be covered by operating cash flow.

Growing production and utilization of inorganic opportunities in the focus of Upstream

For Upstream, during 2014, production reached 98 mboepd, ahead of our original target of 91-96 mboepd for 2014. Production has been growing since mid-2014 and we expect the continuation of this trend and in 2015 as well. Upstream portfolio in its current form will be able to deliver a production level of 105-110 mboepd for 2015. Furthermore, MOL surpassed the 100% organic reserve replacement ratio, reaching a level of 103% during 2014. We are targeting to maintain this level going forward.

At the same time we intend to maintain rigorous discipline to keep lifting costs in a flat to declining range country by country. For 2015, we expect total CAPEX for Upstream to reach USD 0.9bn, of which a fifth will be earmarked for exploration projects.

MOL wants to continue its active portfolio management approach, what we followed during 2013 and 2014 when we disposed some assets in Russia and entered into the North Sea regions through acquisition of several non-operated off-shore assets.

Although a continued low oil price poses a great challenge for Upstream, we believe that MOL can benefit from lower oil price environment by seizing attractive new opportunities in the markets where we operate. There is in no rush however to do so, a healthy balance sheet and an overall strong financial position allows us being ready to act in case the right opportunity presents itself, as we aim to balance further the portfolio in terms of country risk and seek new accretive exploration and development opportunities to grow our international E&P portfolio.

Next Downstream Program targets USD 0.9bn normalized free cash flow by 2017

Downstream delivered strong results during 2014, reporting CCS EBITDA of USD 0.87bn, an increase of 25% in USD terms compared to 2013. Additionally, the New Downstream Program was successfully closed in 2014, fully delivering on our USD 500mn promise. Despite these great achievements, MOL will continue to implement structural changes to put Downstream on an even stronger footing, consolidating our position as one of the most successful integrated Downstream businesses in Europe. Calculating with 2014 average macro environment, the target of Downstream is to reach CCS EBITDA level of USD 1.3-1.4bn, with a normalized cash flow (Clean CCS EBITDA minus CAPEX excluding investments into large strategic projects) of USD 900mn, both by 2017. Through a combination of more than 150 individual actions, the launch of the Next Downstream Development Program for the period of 2015-17 will target additional USD 500mn improvements, as we launch further asset and market efficiency measures and several strategic growth projects. Aforementioned efficiency improvements are expected to contribute USD 350mn and shall be composed of comprehensive production, supply and sales as well as retail specific actions. The envisaged CAPEX need of such efficiency improvement package shall amount to USD 500mn.

Among Next Downstream initiatives within the strategic projects' group we plan to deliver USD 150mn improvement. 2015 will witness the start of the butadiene extraction unit in the TVK petrochemical plant in Hungary as well as the new low density polyethylene plant (LDPE-4) in Bratislava which will replace all 3 old-fashioned production units currently in operation. The development of these two projects during the coming twelve months and the subsequent extension of the petrochemical value chain will further contribute to strengthen MOL's place among the top ten petrochemical players in Europe. As we continued our regional retail expansion with two announced acquisitions during 2014, our future approach remains unchanged, as we will develop the existing retail network, while proactively pursuing inorganic growth opportunities in the CEE region within the supply radius of our refineries. A conceptual change in retail will gradually convert filling stations into widespread sales points in order to maximize non-fuel sales revenue.

UPSTREAM OVERVIEW

Highlights:

- Production on the rise since mid-2014, 98 mboepd average production delivered in 2014, exceeding original guidance
- Organic Reserve Replacement Ratio of 103% in 2014
- Successfully closed two deals in the North Sea region
- Started commercial production in the Akri-Bijeel block in the Kurdistan Region of Iraq
- Production to increase by around 10% to 105-110 mboepd in 2015
- Utilise opportunities to balance risk and seek new accretive exploration and development opportunities

Overview of 2014

Results hit by lower crude oil price, regulatory changes and lower yearly average production level

EBITDA, excluding special items, amounted to HUF 270bn in 2014, a decrease of HUF 86bn compared to the base period. Performance was negatively affected by:

- Lower average realised hydrocarbon prices due to unfavourable changes in oil and gas prices
- Unfavourable changes in regulation in the CEE region, namely the reduction of regulated gas price and doubled royalty in Croatia (HUF 20bn effect)
- Lower production from matured CEE assets and Russian divestures
- Higher exploration costs in relation to accelerated international work programmes, primarily in the Kurdistan Region of Iraq and in Oman
- Q1 2013 Upstream performance increased by HUF 8bn in non-recurring revenue due to the modification of the transfer parity of Croatian crude oil and natural gas condensate volumes. As a result, the total Croatian oil and condensate production for the period, and the inventory accumulated during 2012 were transferred to the Downstream (Sisak refinery).

The negative impacts were partially offset by stronger USD against HUF and by higher level of payments in Egypt in December 2014.

Reported EBIT decreased by HUF 52bn due to impairment of Syrian assets in Q4 2014, treated as special item.

Production is on the rise since mid-2014

Average daily hydrocarbon production reached at 98 mboepd in 2014, a decrease of 6% compared to the base period, however **above our original 2014 target of 91-96 mboepd.** The main reasons behind this production drop were the divestures of Russian fields (ZMB and 49% of Baitex together totalling 6.3 mboepd), just partially compensated by the first contributions of the UK North Sea acquisition. Excluding these factors, production was close to the base level as natural decline in the CEE region was partly offset by higher production in the MEA region, mainly from the Kurdistan Region of Iraq.

Average realised price decreased by 10% compared to the base period as a result of the combined impact of lower oil price and lower gas price in CEE, the latter also affected by the adverse regulatory changes in Croatia.

Average realised hydrocarbon price	**FY 2013**	**FY 2014**	**Ch. %**
Crude oil and condensate price (USD/bbl)	87.1	82.2	(5.7)
Average realised gas price (USD/boe)	52.2	44.6	(14.6)
Total hydrocarbon price (USD/boe)	**69.2**	**62.2**	**(10.1)**

Hydrocarbon Production (mboepd)	**FY 2013**	**FY 2014**	**Ch. %**
Crude oil production	**38.2**	**34.5**	**(9.8)**
Hungary	11.5	10.9	(5.5)
Croatia	8.6	8.9	3.7
Russia	14.3	7.7	(46.1)
Kurdistan Region of Iraq	0.2	1.9	957.2
Other International	3.6	5.0	38.8
Natural gas production	**57.8**	**54.9**	**(4.9)**
Hungary	27.2	26.0	(4.4)
Croatia	26.2	24.2	(7.8)
o/w. Croatia offshore	11.9	11.1	(6.4)
Other International	4.4	4.8	8.1
Condensate	**7.6**	**8.1**	**6.0**
Hungary	4.5	4.7	5.2
Croatia	2.4	2.1	(11.3)
Other International	0.8	1.3	63.5
Average hydrocarbon production	**103.7**	**97.5**	**(5.9)**

Main reasons behind production changes:

- **Hungarian hydrocarbon production decreased** by 4% basically as a consequence of natural depletion, which could be only partially offset by new tie-ins. MOL is committed to taking further measures to keep the production decrease below 5% in 2015 as well and expects positive impacts from newly-awarded exploration concessions over the longer term.

- **In 2014, total Croatian production decreased** by 2.0 mboepd or 5% versus the prior year partly caused by a decrease in offshore gas of 0.8 mboepd as a result of natural decline, water cut and higher restitution. Onshore gas and condensate production decreased by 9%, again due to natural decline and longer duration of annual maintenance on GTP Molve and Etan. On the other hand domestic crude oil production increased by 4% as a result of performed work overs, well optimisation and additional production from new wells.

- **In Russia, in the Matjushkinsky Block,** production decreased to 2.9 mboepd as a consequence of decreasing production rate of the fields, falling pressure and increasing watering. On the other hand in the **Baitugan field** as a result of intensive field development program production reached 4.8 mboepd, which is an increase of 16% compared to 2013 taking into account the sale of 49% of MOL's share in 2014.

- In Pakistan, production increased to 6.6 mboepd due to the combination of enhanced production from Makori East field, mainly as a result of additional production of Makori East-3 well which was tied into GPF, as well as the incremental contribution from the Ghauri discovery well.

- Contribution from the Kurdistani Region of Iraq increased to 1.9 mboepd after production of commercial crude started from Bijell-1 Production Facility following FDP approval. In Shaikan, the second production facility (PF-2) became operational and three wells were tied into in 2014.

- Recently acquired North Sea assets also contributed to full year production by 1.3 mboepd in 2014.

Expenditures

Competitive level of unit OPEX at 8.5 USD/boe

Upstream operating expenditures, including DD&A, but without special items, amounted to HUF 410bn, HUF 33bn lower compared to 2013. Royalties on Upstream production (including export duties connected to Russian sales) amounted to HUF 99bn. Compared to 2013 this is a decrease of HUF 19bn, mainly due to divestments in Russia, while changes in Hungarian and Croatian regulation resulted in an increase. Exploration spending increased by HUF 8bn (to HUF 16bn), mainly as a result of the intensified seismic activity in Oman. DD&A decreased by HUF 21 bn as in 2013 there were larger impairments in connection with Omani and Kurdish activity as well.
Unit OPEX, excluding DD&A, amounted to USD 8.5 USD/boe, broadly in line with 2013 (8.3 USD/boe).

Summary of key exploration and development activities in 2014

• In the Kurdistan Region of Iraq:
In the **Akri-Bijeel Block** the drilling programme continued with 4 drilling rigs and 1 work over rig in 2014. (1) A key milestone was reached with the official approval of the Field Development Plan by the Ministry of Natural Resources. (2) An extensive drilling and well testing in the Bijell field has resulted in significant improvement in the understanding of the complexities of the reservoirs, however, Bijell-4 & 6 well tests are still in progress, results are expected in Q1 2015. In the meantime, the Bijell 2 well reached its target depth in the Triassic reservoir and confirmed presence of hydrocarbon. (3) Production and transportation of commercial crude oil started from Bijell-1 Production Facility following FDP approval. Debottlenecking is ongoing and is scheduled to be completed by Q2 2015. (4) In Bakrman area, the first appraisal well Bakrman 2 reached target depth in Triassic, oil bearing zones were confirmed with good shows and better than anticipated structure. In the **Shaikan Block**, Shaikan-7 well was drilled and completed as a Jurassic producer, and subsequently connected to PF-1. Shaikan-11, an additional producer

to be connected to PF-2, spudded in December. PF-2 became operational in May 2014 and three wells were tied in to PF-2 in 2014 with Shaikan-11 to follow in 2015. The peak production of nearly 40,000 bpd was achieved on 27 December 2014 on block level (100% gross).

• **In UK:**
On Cladhan P1 and W1 wells were drilled and completed. The work on P2 was underway at year end. On Catcher, following project sanction in June 2014, the project was kicked off successfully. On the facilities side good progress has been made. FPSO hull fabrication commenced in Japan.

• **In Russia:**
In **Baitugan Block**, the 2014 development drilling programme was carried out with 4-6 rigs. 52 producing and injection wells were drilled to continue last years' production growth. Construction of infield infrastructure was finished. After the completion of 3D seismic interpretation in 2014 **in Yerilkinsky Block** the first exploration well is planned for Q3 2015. In the **Matjushkinsky Block**, 673 km of 2D seismic field work was completed in 2014 and interpretation is in progress with results expected in 2015.

• **In Kazakhstan:**
In the Fedorovsky Block, a successful appraisal programme was completed by May 2014. Based on the testing result of RZK U-24 appraisal well, a new oil discovery was announced in the Bashkirian reservoir of the Rozhkovsky field. After finishing the appraisal program, an SPE standard based, independent reserve audit increased the bookable 2P reserves by 24 MMboe to 60 MMboe (net to MOL). In the **North Karpovsky Block** drilling of SK-1 well finished unsuccessfully, the well was impaired at year end 2014. Drilling of SK-2 well is being carried out by the operator on sole risk. Results are expected in Q2 2015.

• **In Pakistan:**
In the **TAL Block**, production commenced from Makori East-3, Manzalai 10 & Manzalai 11 wells, while the drilling of two development wells (Makori East-4, Maramzai-3) has started. The Makori Gas Processing Facility was commissioned, producing volumes from Manzalai, Makori, Makori East, Maramzai and Mamikhel fields. Moreover, Mamikhel and Maramzai fields were declared commercial, and development plans were submitted to the Government of Pakistan.
Kot-1 and Malgin-1 exploration wells were tested, then suspended. Drilling operation commenced at Mardankhel-1 exploratory well, with results expected by the end of Q1 2015. In the **Margala and Margala North blocks**, drilling of the first exploration well (MGN-1) commenced in Q2 2014 and is due to be completed in Q2 2015. It is expected to have a significant impact on the future exploration approach in the area. In the **Ghauri Block**, the first exploration well

Ghauri X-1 was drilled in Q1 2014 and resulted in oil discovery. The well was put in early production.

• **In the CEE region:**
In Hungary, 9 conventional exploratory drillings were completed, 5 of which were gas or gas condensate discoveries. Unconventional exploration project continued in the Derecske Basin. 11 field developments were completed and 10 were still in progress at the end of 2014. Furthermore, 5 new development wells were drilled and several work overs were performed during the year. **In Croatia,** onshore exploration activities included the completion of two exploration wells as well as the continuation of an unconventional fracking campaign (with second phase of the campaign performed successfully on 3 wells). In onshore development an important milestone was reached in the Ivanić-Žutica EOR project as the permit for trial work of CO2 injection in the Ivanić Field was obtained from the Ministry. As a result, injection in 12 out of 14 wells commenced in Q4 2014. In offshore 5 development wells were drilled in 2014, yielding 1.6 mboepd in incremental gas production for INA.

Extended acreage position in Hungary, Croatia and UK

Licences acquired in 2014

Since 2010, the total territory of **Hungary** has been closed area for hydrocarbon exploration. Exploration licenses are not extendable and exploration rights may only be acquired through a concession process. In the first bid round MOL contracted for Szeged basin West concession block and for Jászberény geothermal block. In the second bid round in June 2014, MOL applied for 2 hydrocarbon concession areas. The contract was signed for the awarded Okány-East concession block in 2015.

In the framework of the first offshore bid round in **Croatia**, the Ministry of Economy opened a data room for 29 exploration blocks in the Central & South Adriatic in 2014. Two exploration blocks were granted to INA, South Adriatic 25 and South Adriatic 26. INA will proceed with negotiation and signing the PSA Agreement. In the framework of the first onshore bid round, a data room was opened for 6 exploration blocks in 2014, while licences will be granted in Q1 2015.

In the **UK**, MOL applied for and was granted four exploration licenses in the twenty-eigth UK Bid Round. Each licence is for a 4 year period, within which time the commitment is to obtain existing seismic and reprocess same data, with a variety of petro technical studies, before deciding whether to drill an exploration well (drill-or-drop commitment).

103% organic Reserves Replacement Ratio

At the end of 2014 MOL has SPE 2P reserves of 555 MMboe. This includes organic reserves bookings among others in Shaikan block, Kurdistan Region of Iraq (15 MMboe) and in the Fedorovsky block in Kazakhstan (24 MMboe), as well as the effect of last years' acquisitions (North Sea – 30 MMboe) and divestment (49% share in

BaiTex – 53 MMboe). Organic reserves replacement ratio reached 103%.

SPE 2P reserves, MMboe	FY 2014
Hungary	123.5
Croatia	194.9
Russia	74.5
Syria	35.8
Kazakhstan	60.4
United Kingdom	30.4
Other	35.4
Total	**554.9**

Changes in the Upstream regulatory environment

Hungarian Mining Act was modified twice during 2014. Relevant changes are the following:

- Exploration licensed territory possessed by one mining entrepreneur increased from 12,000 sqkm to 15,000 sqkm.
- Fracturing processes are regulated and permitted which provides green light for unconventional exploration.
- Hydrocarbon produced by enhanced gas recovery methods (EGR) is royalty free (0%).
- In case of transferring ownership of a mining plot on which production has not started yet, the new obligor has to start production within one year.

The extraction tax in **Russia** is dependent on average Urals blend listed prices (Rotterdam and Mediterranean markets) and the Russian Rouble/US Dollar exchange rate and is calculated by formula set out in the tax legislation. Tax authorities inform the public of the extraction tax rate through official announcements on a monthly basis. Mineral Extraction Tax (MET) rate increased by 4.9% compared to 2013, reaching RUB 493 per ton.
The rates of custom duties are set by the Ministry of Economic Development on a monthly basis, using average prices for Urals crude oil on world crude markets (Mediterranean and Rotterdam) during the monitoring period. The maximum rate of export duty on crude oil is calculated in accordance with the provisions of the Law of the Russian Federation “On the Customs Tariff”. In 2014 the export duty rate increased to 54%.

As part of the tax reform launched for the oil industry in 2011, further amendments were introduced providing more incentives for the upstream sector and improve production efficiency. Changes are in force since January 1 2015.

As of 26 March, 2014 the **Croatian** royalty rate increased from 5% to 10% of hydrocarbons’ market value.

Upstream outlook

Mitigate production decline and maximise cash flow in mature CEE assets, while monetising the value from key international growth projects

Key goals for 2015:

- Zero HSE incidents/accidents
- Increase Group production to 105-110 mboepd
- Mitigate production decline and maximise cash flow in mature CEE assets
- Progress towards monetising the value from key international growth projects in Kurdistan Region of Iraq, Pakistan and the CIS countries
- Grow MOL's presence in the North Sea
- Reach flat to declining Unit Cost across all countries
- Enhance international exploration portfolio
- Finalise major organisational changes in Group Upstream
- Utilise opportunities that arise from current lower oil price environment

Following the U-turn in production in mid-2014, MOL will further increase it in 2015. Main areas of incremental barrels are: (1) North Sea, where Cladhan development is now almost complete and should be on track for first oil in H2 2015 joining the barrels of recently acquired producing fields. (2) In Kurdistan Region of Iraq we expect a gradual increase of production from both Akri-Bijeel and Shaikan blocks, following debottlenecking activities on surface facilities and tie-in of new wells. (3) Finally, INA's firm goal is to reverse the production decline in Croatia. Monetisation of the value from key international growth projects will ensure further sizable production growth beyond 2015.

MOL intends to mitigate the production decline and maximize cash flow on matured CEE fields, building on MOL's extensive know-how as well as taking portfolio optimization steps and cost efficiency improvements. In **Hungary**, besides drilling 9 new exploratory wells, the 2015 work programme includes finalisation of 10 field development projects and start of 14 new field development projects with the strategic goal of keeping the production decline rate below 5%. Moreover, to ease the pressure of declining production on unit production costs, an extensive cost optimisation programme is been undertaken. In **Croatia**, INA's firm goal is to stop natural production decline and put the Croatian production on a growing trend. 2015 will bring the finalisation of the first phase of major EOR projects with positive effect on production on the Ivanić field and the start of CO2 injection in the Žutica field. The 4P well optimisation programme will continue, which already in 2014 resulted in a crude oil production increase for the first time in more than a decade. Moreover, an extensive onshore exploration drilling campaign should contribute to the growth.

In Kurdistan Region of Iraq MOL intends to increase production gradually from both blocks. However, in Akri-Bijeel Block the main goal for 2015 is to complete the information acquisition campaign with the testing of Bijell-2, -4, -6 and Bakrman-2 appraisal wells which should serve as valuable information for further delineation of the reservoir. In the meantime debottlenecking is ongoing and scheduled to be completed by Q2 2015 on the Bijell-1 Production Facility. 2015 work plan on Shaikan includes completion of Shaikan-11 as well as debottlenecking and facility upgrade projects, enabling the production to stabilize around 37-40 mboepd on block level (100% gross).

North Sea operation, where MOL extended its presence after purchasing assets from Premier Oil in 2014, **should already contribute substantially to Group level production**. The Cladhan development is now almost complete and should be on track for first oil in H2 2015 joining the barrels of recently acquired producing fields. Catcher field development project is moving forward with the first wells planned for drilling in Q2 2015 and the FPSO construction in Japan is underway. The ultimate aim is to be able to commence oil production from Catcher in mid-2017.

In Pakistan MOL continues field development in TAL Block as well as committed to fully explore the upside potential of all other blocks. In Margala North block, where MOL has 70% interest as an operator, MGN-1 well is the first well being drilled in the northern part of the Potwar Basin, and therefore expected to have a significant impact on the future exploration approach to the area. In Karak Block the continuation of the Extended Well Test Production and the drilling of two exploratory wells are the key tasks ahead.

In Russia, in order to **maintain the increasing production trend in the Baitugan** block drilling of 40-50 production and injection wells per year will take place. In the Yerilkinsky block, 3D seismic interpretation confirmed block’s high potential while the first exploration well is planned to be drilled in Q3 2015. In the Matjushkinsky block the focus will remain on exploration, including the interpretation of recent 2D seismic, which is expected to clarify the remaining potential of the block.

Following a successful completion of the appraisal programme in Kazakhstan’s Fedorovsky Block in 2014, MOL will proceed with preparations for the start of the first phase of the development project. This will evaluate the behaviour of the reservoirs to determine the full-scale field development plan, while also ensuring the sale of produced gas and condensate. The first development well (U-25) is expected to be spudded in Q2 2015. Moreover, following a new commercial discovery in the Bashkirian reservoir in 2014, a two year Exploration Licence extension was offered, providing a unique opportunity to explore the remaining area and upside potential of the block.

Finally, **MOL is well positioned to utilise opportunities that arise from current lower oil price environment with an aim of balance risk and seek new accretive exploration and development opportunities**.

DOWNSTREAM OVERVIEW

Highlights:

- Clean CCS EBITDA increased by more than 30% in 2014;
- Beside better macro environment, outstanding results were also supported by the successful implementation of the New Downstream efficiency improvement program, which delivered a $500mn improvement between 2011 and 2014;
- New, 3-year long Next Downstream Program has been launched, which supports the overall Downstream normalized free cash flow generation target of USD 900mn and clean CCS Downstream EBITDA target of USD 1.3-1.4bn by 2017 through:
  - USD 350mn asset and market efficiency improvement
  - and further USD 150mn contribution of strategic growth projects.
- Tangible demand recovery in domestic markets: aggregate motor fuel markets grew by 4%.

Overview of 2014

	FY 2013	FY 2014	Ch. %
Total MOL Group refinery margin (USD/bbl)	2.0	3.1	55
Complex refinery margin (MOL+Slovnaft) (USD/bbl)	3.4	4.6	35
Brent dated (USD/bbl)	108.7	98.9	(9)
Ural Blend (USD/bbl)	108.0	98.0	(9)
Brent Ural spread (USD/bbl)	0.69	1.35	96
Crack spread – premium unleaded (USD/t)	165	170	3
Crack spread – gasoil 10ppm (USD/t)	117	107	(9)
Crack spread – naphtha (USD/t)	53	61	15
Crack spread – fuel oil 3.5 (USD/t)	(234)	(223)	5
Integrated petrochemicals margin (EUR/t)	295	364	23

Favourable trends in downstream environment especially in the second part of 2014

Refining environment improved during 2014 compared to the previous year. Lower oil price environment – especially in the second half of the year – supported refinery margins through lower costs of own consumption and significant refinery run cuts. Additionally, after the especially tight Urals' markets in 2013, it took almost a year for refineries to adopt and turn to oil grades substitutes outside the region (e.g.: from the Arab Gulf and Latin America) resulting in wider Brent-Urals spread year-on-year. Lower European gasoline production lifted gasoline cracks compared to 2013. On the other hand, global diesel demand was lower than expected due to mild European winter and the slowing Chinese economy, while export volumes from Russia and the US increased. These factors prompted a 9% gasoil crack decrease by the end of 2014.

CCS-based DS EBITDA [3,4] (bn HUF)	FY 2013	FY 2014	Ch. %
MOL Group	**156.8**	**206.3**	**32**
o/w Petrochemicals	13.7	40.0	192
o/w Retail	33.7	47.4	41
MOL excl. INA	171.8	235.2	37
INA	(15.0)	(28.9)	93

CCS-based DS operating profits [3,4] (bn HUF)	FY 2013	FY 2014	Ch. %
MOL Group	**29.2**	**95.2**	**226**
MOL excl. INA	73.3	147.0	101
INA	(44.0)	(51.8)	18

[3,4] *Notes and special items listed in Appendix I and II.*

Drop in total sales mainly on the account of black products due to the change of business model in Italy

External refined and petrochemicals product sales by product (kt)	FY 2013 restated	FY 2014	Ch. %
Total refined products	**18,092**	**16,725**	**(8)**
o/w Motor gasoline	3,987	3,614	(9)
o/w Diesel	9,363	9,133	(2)
o/w Fuel oil	677	554	(18)
o/w Bitumen	1,026	629	(39)
o/w Retail segment sales	**3,480**	**3,513**	**1**
o/w Motor gasoline	1,105	1,073	(3)
o/w Gas and heating oils	2,289	2,347	3
Total Petrochemicals product sales	**1,302**	**1,126**	**(14)**
o/w Olefin products	306	184	(40)
o/w Polymer products	996	942	(5)
Total refined and petrochemicals product sales	**19,394**	**17,851**	**(8)**

Successful implementation of USD 500mn New Downstream Program

MOL Group Downstream benefited from a better external environment and the success of our internal efficiency improvement efforts, consequently Downstream's clean CCS EBITDA rose by 32% in a year-on-year comparison. The **MOL Group-level New Downstream Program** was launched in 2012 to improve profitability throughout the whole value chain and to reach USD 500mn EBITDA growth by 2014 on a like-for-like basis, compared with 2011. Through the completion of more than 300 initiatives, the division managed to improve its efficiency, ensure more flexible operations and maximize its revenues whilst enforcing a more rigorous cost management approach. In line with original plans in 2014 which was the third and final year of New Downstream Program, USD 500mn EBITDA improvement was achieved.

Considerable improvement underpinned by strengthening R&M, petchem and retail

The annual Downstream performance was positively influenced by:

- a significant improvement in the Petrochemicals segment's results supported by the most favourable petrochemicals environment since 2007, as the integrated petrochemicals margin increased by 23% to 364 EUR/t, compared to the prior year.
- a significantly improving retail contribution supported by volumetric sales increase mainly in Hungary and Slovakia as well as higher margins achieved.

- the widening Group refinery margin by over 1 USD/bbl impacted mostly by the 10 USD/bbl drop of Brent, which generated lower costs of own consumption and losses and the 0.7 USD/bbl widening of the Brent-Ural spread.
- Implementation of New Downstream Efficiency measures described in more detail above.

These positive effects, however, were partly offset by:

- less favourable R&M contribution of INA due to deteriorating production yields and higher own consumption and losses mainly related to fall-out of some conversion units. This had an adverse impact on sales volumes as well, which dropped by 5%. Additionally, last year's INA performance was positively influenced by change in inventories evaluation methodology with a HUF 9bn impact;
- non-recurring effect of the IES refinery conversion completed during the first nine months of 2014, following which regular depot operations were launched. The termination of crude processing activities adversely impacted sold volumes in Italy in a year-on-year comparison.

Change in regional motor fuel demand FY 2014 vs. FY 2013 in %	Market*			MOL Group sales**		
	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	3	9	7	(3)	1	0
Slovakia	3	6	5	(3)	3	1
Croatia	(5)	0	(2)	(14)	(3)	(6)
Other	(2)	0	(1)	(11)	1	(3)
CEE 10 countries	(1)	1	0	(8)	1	(2)

** Company estimates ** Sales from own refinery production and purchased from external sources*

In 2014 we experienced a 4% aggregate domestic market (Hungary, Slovakia, Croatia) growth, while the wider CEE motor fuel market remained broadly in line with last year's levels. The motor gasoline market showed positive trends in two domestic countries, Hungary and Slovakia, however still down regionally. The diesel market performed better, growing regionally by a mere 1%. In case of gasoil the Hungarian, Slovak and Czech markets strongly supported the increase.

Group motor fuel sales dropped both in the core markets and in the wider CEE region (excluding Italy) mainly due to enhanced competition and the planned major Slovnaft turnaround in Q2 and also other smaller scale unplanned events.

Significant improvement in retail performance

The Retail arm delivered a 41% increase on a clean CCS EBITDA basis and its contribution reached HUF 47bn. The remarkable uplift of was supported by retail price liberalisation in Croatia in February 2014. In addition to that in Hungary and Slovakia we achieved a 10% and a 7% sales increase, respectively versus 2013.

Total retail sales (kt)	FY 2013	FY 2014	Ch. %
Hungary	789	864	10
Slovakia	422	452	7
Croatia	1,106	1,077	(3)
Romania	503	501	0
Other	660	619	(6)
Total retail sales*	**3,480**	**3,513**	**1**

**Restatement of 2013 sales data*

Total retail sales volumes (including LPG and lubricants volumes) increased by 1% year-on-year due to the expanded filling station network and demand recovery in Hungary, Slovakia and the Czech Republic. Romanian and Croatian markets remained depressed due to excise duty increase effective from the first quarter of the year.

During 2014 MOL Group announced inorganic deals in order to extend its retail portfolio. Following the anticipated closing of all purchases the number of fuel stations will increase by 169 in the Czech Republic, by 42 in Romania and by 41 in Slovakia. New service stations will extend our captive market as well as improve our ability to reach higher number of end users. At the same time MOL retail market share is expected to approach 15% in the Czech Republic and well exceed 10% in Romania.

Downstream outlook

Slightly easing fundamentals in the mid-run

With a conservative approach our expectation for 2015 environment is similar to the 2014. While the lower crude price environment is lending support through lower processing costs this effect is limited as European refinery capacity overhang will persist, capping any sudden surge in margins. Global surplus of refinery capacity may even increase as new deep conversion refineries are starting up in the Middle East, India and Brazil. Due to sluggish global demand, margins may be under pressure in 2015.
In the mid-term, however we assume the closure of marginal assets in Europe and reviving economic performance leading to healthier demand growth on global level. Therefore margin environment may improve overall in Europe on the mid run.
Following years of decline, motor fuel demand is expected to stabilise in the CEE region. On the back of the economic growth, increase in motor fuel demand may again be largely driven by diesel in 2015, meaning that the gap between motor gasoline and diesel sales will increase further regionally.

Next Downstream targets further USD 500mn EBITDA improvement…

The overall target of Downstream is to achieve USD 1.3-1.4bn EBITDA and around USD 900mn normalized cash flow generation by the end of 2017. Our 2014 performance serves as a baseline to the initiation of the Next Downstream Program with the target of reaching an incremental USD 500mn EBITDA generation on the same time horizon.

… USD 350mn coming from asset and market efficiencies

The Downstream division is ready to address the challenges ahead by delivering a new asset and market efficiency program of USD 350mn within the scope of the Next Downstream Program. Altogether more than 150 individual actions are included in this part of the program, tackling efficiency improvement in production and commercial areas. As a result MOL will improve our white product yield by 2.5%, increase operational availability of key assets, enhance energy intensity and increase traded motor fuel volumes to 150% against own produced motor fuels.
We also intend to develop our existing retail network. The conceptual change in retail, through the conversion of filling stations into a widespread sales point network means that we will concentrate on selling customer goods and attracting more customers. As a result MOL will be able to increase fuel sales by over 25% and reach high double digit margin increase on the non-fuel side (including the additional contribution of retail deals announced in 2014).

… USD 150mn added by strategic projets

Additionally our strategic growth projects will further contribute USD 150mn to the Next Downstream Program. This part of the program covers the construction of a new 130,000 tons per annum capacity butadiene extraction unit in our TVK petrochemical plant and the installation of a new low density polyethylene plant (LDPE-4) in Bratislava which will not only replace 3 out of date production units currently in operation, but also significantly increase the quality of produced LPDE.
Furthermore retail performance will benefit from the additional contribution of the recently acquired fuel stations, exceeding 250 retail outlets overall.
The refinery conversion project in Mantova was completed by the end of the third quarter of 2014. The new operational model will bring additional financial benefits in the coming years.

Pursing inorganic opportunities in the region

Following the aggressive inorganic network expansion of the previous years, we wish to further pursue inorganic growth opportunities in the region within the supply radius of our refineries. Such potential steps are going to enhance our captive market positions and support overall margin capture of our Downstream business.

GAS MIDSTREAM SEGMENT OVERVIEW

Gas Midstream delivered 37% lower results on a EBITDA excluding special items basis compared to last year. This significant drop is a result of forced gas inventory sale due to regulatory changes in Croatia and lack of storage revenues following the sale of the Hungarian storage unit (MMBF) in 2013 with a HUF 21bn contribution in the base period. The Hungarian gas transmission business delivered solid results in light of a further cut in regulated returns in November, 2013.

FGSZ Ltd.

Operating profit contribution fell (based on IFRS figures)

Operating profits of FGSZ in 2014 were significantly (16%) lower compared to the previous year mainly due to the effect of unfavourable external factors.

Significantly lower operating revenues of domestic transmission due to external factors

Revenues from domestic transmission services totalled HUF 60.1bn, significantly lower (by 12%) than the base period figures. Revenues fell mainly due to the unfavourable effect of tariff changes which are valid from 1 July 2014, due to the lower capacity bookings and lower turnover fee revenues in line with decreasing domestic natural gas consumption and due to the further decrease of public utility charges valid from 1 November 2013.
Despite lower tariffs of household customers and due to the decreased industrial demands, domestic natural gas consumption showed further decrease compared to the previous year but significantly higher injected volumes to storages compensated this negative effect.

Lower transit transmission revenues in line with lower transmission volumes

Revenue from natural gas transit was HUF 19.6bn, lower by 9% compared to the base period figure. Favourable FX effect could compensate only partly the significant negative effect of decreasing transit transmission volumes (lower by 20%). Both the southward Serbian-Bosnian and other transit transmission volumes were significantly lower compared to prior year.

Strict control of operating costs

Lower operating costs (by 3%) had favourable effect on operating profit. Favourable effect of lower other operating expenses as a result of strict cost control and lower accounted depreciation could overcompensate the negative effect of the slightly higher cost of natural gas consumption by the transmission system (due to the higher compressor gas consumption, as a result of increased storage injection activities and changing transmission needs).

Prirodni Plin d.o.o.

Prirodni Plin (PP), INA's gas trading company, reported a HUF 21.4bn EBIT loss in 2014. The performance was negatively impacted by forced stored gas sales during Q2 as a consequence of regulatory changes in Croatia. From January 1 2015 PP will be reported as part of the Upstream segment.

A package of resolutions related to INA's obligation on delivering the gas produced in Croatia under regulated price, put forward by the Ministry of Economy, has been applied from April 1 2014. This decision obliges INA to sell the portion of its natural gas production for household supplies to state-owned company HEP as the wholesale market supplier, also introducing distributors' purchase obligation from HEP. With this change the regulated price of natural gas to households was reduced from 2.4 to 1.7 HRK/m^3

CAPITAL EXPENDITURE PROGRAMME

Capital expenditures	FY 2013 (HUF bn)	FY 2014 (HUF bn)
Upstream	149.5	326.3
of which inorganic:	0.0	121.0
Downstream	93.8	186.7
of which inorganic:	0.0	13.7
Gas Midstream	8.1	3.8
Corporate	18.4	19.3
Intersegment	0.0	(2.0)
Total	**269.8**	**534.1**
of which inorganic:	**0.0**	**134.7**

CAPEX spending was focused on Upstream (61%)

Total CAPEX nearly doubled in 2014 compared to the previous year, however, 25% of total CAPEX was spent on inorganic investment projects. In line with the announced strategy, CAPEX spending was more focused on Upstream, representing 61% of total Group CAPEX, while Downstream was responsible for 35% of the spending. The remaining 4% or HUF 23bn of our capital expenditures targeted gas and corporate projects.

Upstream CAPEX

FY 2014 (HUF bn)	Hungary	Croatia	Kurdistan Region of Iraq	Russia	Pakistan	United Kingdom	Other	Total (HUF bn)
Exploration	12.4	3.9	41.6	4.9	8.4	0.5	14.4	**86.1**
Development	11.6	30.3	7.1	11.5	1.2	41.6	6.1	**109.4**
Acquisition	1.6	0.0	0.0	0.0	0.0	119.4	0.0	**121.0**
Consolidation & other	6.3	2.2	0.9	0.1	0.0	0.1	0.2	**9.8**
Total	**31.9**	**36.4**	**49.6**	**16.5**	**9.6**	**161.6**	**20.7**	**326.3**

In 2014, Upstream CAPEX amounted to HUF 326bn, the biggest contributor of which was HUF 121bn inorganic CAPEX, mostly composed of two acquisitions of North Sea assets. Other major investments excl. acquisitions were made in the Kurdistan Region of Iraq (24% of total), North-Sea Region (20%), Croatia (18%), Hungary (15%), and Russia (8%).

Downstream CAPEX

CAPEX (in bn HUF)	FY 2013	FY 2014	Ch. %	Main projects in FY 2014
R&M CAPEX and investments excluding retail	42.5	70.5	66	• Friendship I crude pipeline reconstruction • Major Turnaround in Slovnaft • Tank reconstruction program • High value asset replacements (SN AVD-6 Unit revamp) • Significant CAPEX spending in MOL RO (New Giurgiu Storage Terminal) • Conversion of the Mantova refinery
Retail CAPEX and investments	20.1	29.7	48	• INA, Bosnian and Hungarian modernization program continued (37 projects completed 6 are ongoing) • Purchase of 44 service stations in the Czech Republic • 6 new service station projects in Romania, additional 1 is under construction • 2-2 new service station projects in Slovakia and Slovenia
Petrochemicals CAPEX	29.1	85.0	192	• Construction works in Butadiene Recovery Project started in TVK • At SN Petchem LDPE4 substantial implementation progress (civil, equipment installation) were achieved
Power and other	2.1	1.5	(29)	• Follow up activities in Slovnaft related to TPP Revamp
Total	**93.8**	**186.7**	**99**	

Downstream CAPEX doubled year-on-year. In Petrochemicals growth projects dominated (e.g. LDPE4 and Butadiene), consequently investments increased almost threefold within the segment. In Refining & Marketing the major turnaround of Slovnaft and the reconstruction of the Friendship pipeline drove mainly the 66% increase. We continued the expansion of the Group retail network both inorganically and organically pushed investments upwards by close to 50%.

CAPEX by type (in bn HUF)	FY 2013	FY 2014	Ch. %
Total	**93.8**	**186.7**	**99**
Strategic projects	30.4	93.9	209
Normalized CAPEX	63.4	92.8	46

Among key projects:

- The conversion of the Mantova refinery to a logistic hub was completed in Q3 2014, as of Q4 operations commenced in line with the new business model.
- The 130 kt/year butadiene extraction unit construction works are on track. It is expected to reach commissioning phase in Q2 2015 and start commercial operations during Q3 2015. The unit will produce feedstock material of synthetic rubber for car tyres and improve further the profitability of the Petrochemicals business.

- The construction of the new 220 kt/year capacity LPDE4 unit in Slovnaft is progressing according to schedule. It is expected to be commissioned by the end of 2015. The new unit will increase production flexibility, improve product qualities and ensure higher naphtha off-take from the refinery.
- The mechanical completion of the Friendship-1 pipeline has been reached, which will be followed by commissioning and subsequent test runs in Q1 2015. The Bratislava refinery may receive the first crude cargo from the Adriatic Sea during 2015.

FINANCING OVERVIEW

MOL sustained its strong financial position

The overall corporate financial position and the ability to generate operational cash flow are key priorities due to the turbulent financial environment, the fall in commodity prices and economic slowdown.

During 2014 MOL maintained its strong financial position and enjoyed EUR 4.1bn available liquidity at year end. Indebtedness slightly increased from prior year's record low level, however remained on a favourable level. The slight increase is partially due to cash outflows regarding recent upstream and retail asset acquisitions, partially due to FX changes. Simplified net debt to EBITDA stood at 1.31 at the closing of the year increasing from 0.79, whilst the gearing ratio increased from 15.9% to 19.6% year-on-year.

Sufficient external financing

MOL Group has sufficient financing for its operations and investments. Our diversified, medium- and long-term financing portfolio consists of revolving syndicated and club loans, long-term bonds and loan facilities through multilateral financial institutions.

Enhancing the maturity profile

To further enhance the Group's funding portfolio, in October MOL Plc. concluded a USD 1,550mn revolving credit facility which replaced the matured EUR 500mn and due to more favourable terms also replaced the USD 545mn facility, which was subsequently cancelled. The tenor of the facility is 5 years with an extension option of 2 additional years. The Group also decreased its cost of funding via the prepayment of a loan signed in November 2010 with European Investment Bank (EIB) in the amount of EUR 150mn with original maturity of December 2018, as well as via the decreased pricing of a 7-year loan agreement of INA with the European Bank for Reconstruction and Development.

Slightly increased gearing ratio

Indebtedness

	2013	2014
Simplified Net debt/EBITDA	0.79	1.31
Net gearing	15.9%	19.6%

72% EURO-denominated debt

Proportion and amount of total debt (excluding short-term debt) denominated in the following currencies

31 Dec 2013 (bn own currency)	31 Dec 2013 (bn HUF)	Portion %	Currency	31 Dec 2014 (bn own currency)	31 Dec 2014 (bn HUF)	Portion
0.88	189	24.5	**USD**	0.8	203	25.9
1.84	548	71.0	**EUR**	1.8	559	71.5
n.a.	34	4.5	**HUF and other***	n.a.	20	2.6
n.a.	**771**	**100**	**Total**	**n.a.**	**782**	**100**

* Includes mainly HUF, as well as HRK- and PLN-denominated debt

NOTES TO THE PROFIT & LOSS STATEMENT

Sales, Operating Expenses and Operating Profits

Group net sales revenue decreased

Group net sales revenues decreased by 10% to HUF 4,867bn since revenue decreases in Gas Midstream by 40%, in Upstream by 15% and in Downstream by 9%.

Other operating income decreased by 65% to HUF 26.6bn mainly as the result of less one-off gains realised on divestiture in 2014 than in 2013: gain on divestment of Russian entities (2014: HUF 12.7bn; 2013: HUF 10.5bn) and MMBF Zrt. (2013: HUF 42.4bn).

Other operating expenses decreased by HUF 5.0bn to HUF 288.7bn in 2014. In 2014 and 2013 Other operating expenses also included one-off tax penalties by INA in the amount of HUF 9.1bn and HUF 5.0bn, respectively.

In 2014 and in 2013, non-recurring expenses related to the termination of refining activities at IES increased operating expenses by HUF 4.1bn and by HUF 22.8 bn, respectively, from which HUF 9.3bn related to the provision made for redundancies in 2013, recognised as Personnel expenses.

In 2014, depreciation expenses decreased by 32% to reach HUF 368.3bn mainly as a result of less one-off impairment charges than recognised in 2013.
In 2014, an impairment charge of HUF 16.0bn was recognised on the refining assets of INA. In Upstream and Corporate & Other segments, the one-off effect related to the impairment on INA's Syrian current and non-current assets amounted to HUF 52.4bn and HUF 1.3bn, respectively. Furthermore, in 2014 unsuccessful exploration wells were written down in Kazakhstan, Egypt, Russia, Croatia and Hungary in the amount of HUF 17.7bn.
In 2013, on the refining assets of IES and INA impairment expense of HUF 123.8bn and HUF 26.7bn was recognised, respectively. In Upstream segment, the one-off effect impairment expense on INA's Syrian assets amounted to HUF 43.4bn. Furthermore, in 2013 unsuccessful exploration wells were written down in the Kurdistan Region of Iraq, Egypt, Oman and Hungary in the amount of HUF 27.3bn.

Financial results

Higher net financial expenses in 2014

A net financial expense of HUF 104.5bn was recorded in 2014, compared to HUF 58.3bn in 2013. Interest payable and interest received have not changed significantly from 2013 to 2014. However in 2014 and in 2013, a foreign exchange loss of HUF 38.8bn and a gain of HUF 4.1bn were booked on trade and other receivables and payables, respectively. In 2014 and in 2013, a foreign exchange loss of HUF 32.2bn and of HUF 8.2bn was booked on borrowings, respectively. In 2014 a HUF 48.7bn foreign exchange loss on bank loans designated as net investment hedging instruments were accounted for in the translation reserve, within equity. In 2013 a HUF 4.4bn foreign exchange gain on bank loans was accounted for in equity. A fair valuation gain on the conversion option embedded in the capital security issued by Magnolia Finance Ltd. amounted to HUF 0.6bn versus the unrealised loss of HUF 0.3bn in 2013.

Income from associates

Income from associates amounted to HUF 18.9bn in 2014, mainly as the result of the contribution from MET Zrt., (HUF 6.8bn) and from MOL's 10% share in the operations of the Pearl Petroleum Company (HUF 12.9bn).

Profit before taxation

As a result of the above-mentioned items, the Group's loss before taxation in 2014 was HUF 45.5bn, compared to a loss of HUF 56.9bn in 2013.

Taxation

Slight Income tax expense due to offsetting effect of current and deferred taxes

Income tax expenses amounted to HUF 5.4bn in 2014 compared to income tax benefits of HUF 38.0bn in 2013. Significant one-off impairment expenses recognised both in 2014 and in 2013 pressed appropriate corporate tax bases of MOL Plc. and INA d.d., and resulted in huge negative deferred tax expenses. Despite above effects, Group member entities provided stable local and corporate income tax expenses (2014: 30.5bn; 2013: HUF 33.4bn).

Cash flow

Consolidated Cash flow	**2013 (HUF mn)**	**2014 (HUF mn)**
Net cash provided by operating activities	614,685	434,528
of which: movements in working capital	175,575	47,116
Net cash used in investing activities	(124,994)	(558,459)
Net cash provided by/(used in) financing activities	(239,251)	(263,670)
Net increase/(decrease) in cash and cash equivalents	250,440	(387,601)

Operating cash flow decreased by 29%

Operating cash inflow in 2014 decreased to HUF 434.5bn from HUF 614.7bn in 2013, due to higher cash outflows in the working capital lines. Operating cash flow, before movements in working capital, decreased by 16% to HUF 421.9bn. Income taxes paid amounted to HUF 34.4bn.

Net cash used in investment activities increased to HUF 558.5bn in 2014 mainly as a result of cash outflows relating to inorganic (North Sea and Czech retail network acquisition) and organic investments (construction of the Butadiene plant, the LDPE4 unit and the reconstruction of Friendship I. crude oil pipeline).

Net financing cash outflow totalled HUF 263.7bn, primarily as a result of the net repayment of long-term and short-term debt and the dividend payment.

SUSTAINABILITY

Overview of Sustainability Performance of MOL Group

Sustainability is considered to be a fundamental criterion of business success by the largest companies and an increasing number of shareholders. Long-term financial success and good corporate sustainability performance are complementary to each other. For MOL Group, sustainability translates as the balanced integration of economic, environmental and social factors into our everyday business operations.

MOL Group operates strong governance systems (including a Board of Directors level committee) to oversee its sustainability performance, and has a sustainability strategy to manage it. The overall target to be reached by the end of 2015 has been defined as: "Achieve and maintain an internationally-acknowledged leading position (top 20%) in sustainability performance". As a key performance indicator (KPI) we use the total score awarded to us by the Dow Jones Sustainability Index.

MOL Group in 2014 qualified for inclusion in the Sustainability Yearbook 2015 issued by RobecoSAM (the company which conducts the assessment related to the Dow Jones SI). In order to be listed in the Yearbook, companies must be in the top 15% of their industry. Moreover, MOL Group was included in the MSCI Emerging Market ESG index.

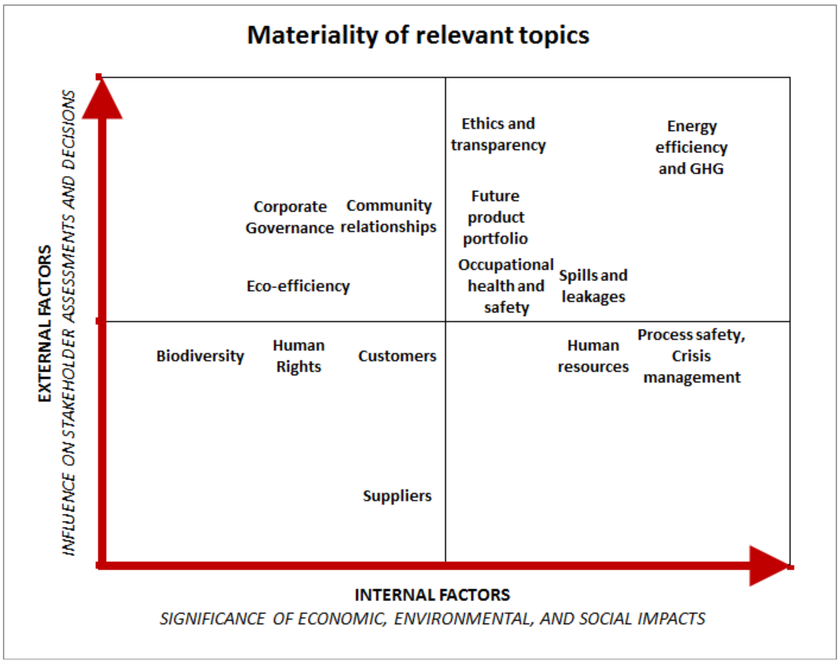
Materiality of Sustainability Topics in Reporting

MOL Group considers materiality to be a fundamentally important concept in sustainability reporting. We conduct a materiality assessment which we use to rank and classify topics that are relevant to the oil and gas industry according to how important they are to our external and internal stakeholders. To read more about our materiality assessment, please visit our website.

Internal factors include potential financial impacts and the existence of internal objectives. The key input is the MOL Group-level risk matrix that is continuously updated and presented to the Board of Directors and feedback from our employee representatives.

External stakeholder perceptions are surveyed through our public forums and collected using our feedback channels (sd@mol.hu). Special attention is paid to topics that are considered to be relevant to external sustainability analysts and issues which are related to governmental initiatives.

The outcome of the materiality assessment is a materiality matrix, an illustration of which is presented in this chapter. We consider all the topics in the matrix to be material except for those located at the bottom left.



The procedure for the materiality assessment is not designed to exclude any of the relevant topics from our reporting. The assessment is drawn up with a view to ensuring that the most material topics are highlighted and described in more detail, thereby providing our readers with deeper insight into our sustainability performance.

Performance summary on selected material topics

According to the materiality assessment, the most important sustainability topics for MOL Group operations are GHGs and energy efficiency, prevention and clean-up of spills, future product portfolio, ethics and transparency and also occupational and process safety management. Hereafter, we briefly summarize our performance in each of these areas.

GHG emissions further decreased at group level through increasing the efficiency of energy consumption. The most significant achievement is that our energy efficiency projects, especially our New Downstream Development program, resulted in an estimated saving of almost 320 thousand tonnes of CO_2 emissions compared to the baseline for the year 2011. Out of these savings, 85 thousand tonnes is an additional achievement made in 2014. These projects alone helped us make annual financial savings of HUF 13bn. The total reduction in direct CO_2 emissions since 2011 is 1.4 million tons, which is equivalent to 0.3 million tonnes on an annual basis (a 5% decrease); however, this reduction is a result of several factors, also including operational changes and divestments.

Spills and leakages are large and unpredictable sources of environmental contamination that are caused by industry. Managing and preventing spills is of key importance to oil and gas companies but the Company’s impacts are still considered to be moderate. MOL Group is the owner and operator of production and storage facilities and transportation pipelines worldwide. Spills are mostly associated with our aging assets in Central Eastern Europe, while the largest single spill event was due to an attempted theft. The number of spills with more than 1 m^3 hydrocarbon content further decreased in 2014 all of them happened onshore. In 2014 only 5 such spills occurred which is the lowest number in the last years. Even though no major spills happened in MOL Group's operations in 2014 the overall amount has increased from 133 m^3 in 2013 to 194 m^3 in 2014. The increase is the result of 2 cases which happened in Croatia. One of them was caused by a one-off human error, while the other was the result of an attempt at theft.

Health and safety is top priority for MOL Group and for the oil and gas industry generally. The company employs 27,499 workers who perform almost 50 million workhours per year, while our contractors work more than 40 million hours per year. Workers spend a large portion of this time using dangerous technologies at operational sites. MOL Group's safety performance slightly improved in 2014 compared to 2013. The lost time injury frequency rate decreased to 1.0 (from 1.5 in 2013) and no own employee fatalities occurred at our controlled operations. However, unfortunately there was one on-site contractor fatality. Moreover, there was an increase in road accident related contractor and third party fatalities which was mostly related to our Upstream international operations in which crude oil is transported by road.

Continuously improving our product portfolio is important due to external factors and the potential financial implications it has on MOL Group. Meeting the obligations of the Climate Change Package of the European Union will have significant impact on the long-term demand for fossil fuels and energy, on refinery product quality, and also on petrochemical operations. However, through its impact it will also open up new business opportunities for oil and gas companies in the area of "clean fuel/energy". To increase the share of low-carbon products and services that we offer MOL Group has launched and continues to work on a series of R&D projects. The focus in 2014 was on identifying and promoting technologies to further reduce the life-cycle-emissions of our fuels and to be able to comply with the regulation. Some project examples include the MOL Truck Diesel, the high quality, CO_2-efficient product. Its formula has been further developed aiming at further GHG-efficiency improvement in 2014. The Chemically stabilized rubber bitumen product of MOL Group after market introduction in 2013, received ECO-label certification in 2014.

Ethics and transparency are key to long term business success. MOL Group has a Code of Ethics since 1999 and operates an ethics reporting system open for all stakeholders since 2002. In 2014 88 ethics-related complaints were reported to the Ethics Council of MOL Group and the INA Group, a slight increase compared to the 81 cases reported in 2013, investigation was necessary in 61 cases.

Consequences for ethical misconduct revealed by the Ethics Council include termination of employment in 3 cases, written disciplinary notices in 9 cases and verbal disciplinary notices given in 4 cases. Awareness raising and trainings are continuous throughout MOL Group, employees spent an estimated 26,490 hours with ethics related trainings in 2014.

INTEGRATED RISK MANAGEMENT

MOL's integrated risk management is one of the best, according to Dow Jones Sustainability Management

The aim of MOL Group Risk Management is to deal with the challenges posed by an ever changing external environment as we seek to support stable and sustainable operations underpinning the future growth of the company. MOL Group has developed a risk management function as an integral part of its corporate governance structure.

Incorporating the broadest variety of risks facing the business into one long-term, comprehensive and dynamic system is prepared by Enterprise Risk Management (ERM) on a group level. ERM integrates financial and operational risks along with a wide range of strategic risks, also taking into consideration compliance issues and potential reputational effects. The ERM process identifies the most significant and material risks to the performance of the company. Risks are assessed based on a unified methodology and collected into risk maps at different levels. Risk responses and controls are reviewed, while mitigation actions are established and reviewed for completion by top management on a regular basis.

Enterprise Risk Management is a framework covering Business Units and Functional Units, which ensures incorporation of risks faced by the company into Risk Maps.
Risk analysis activity supports stable and efficient operations by identifying key risks that threaten the achievement of the company's objectives and require specific attention by the top management through the strengthening of controls, the execution of mitigation actions or a combination of the two. The Risk Map is a heat map that is being applied to graphically present major risks on a matrix using probability and impact ratings, both being the result of detailed risk assessment processes. The Risk Maps integrate Strategic, Operational and Financial risks, which are identified and reassessed on a quarterly basis, providing regular updates to top management on the evolution of risks and the status of mitigation actions.

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 by using a complex model based on Monte Carlo simulation, and are managed – if considered necessary - with risk mitigation tools such as swaps, forwards and options.
Business Continuity Management is the process of preparing for unexpected disruptions that have low probability but high impact. Emergency Response plans, Crisis Management procedures, Disaster Recovery and other risk control programs are crucial in a business where operational risk exposure is significant as a result of the chemical and physical processes underlying most of the Group's operations.
Transferring of excess operational risks is carried out by **Insurance Management.** Purchase of insurances represents an important risk

mitigation tool used to cover the most relevant operational and liability exposures. The major insurance types are: Property Damage, Business Interruption, Liability and Control of Well Insurance, set around a yearly cycle (i.e. annual renewal of most insurance programs). Insurance is managed through a joint program for the whole of MOL Group in order to exploit considerable synergy effects.

The existence of an integrated risk management function enables MOL to exploit the synergies between the above detailed pillars of risk management. The input sources of modelling financial risks are applied in ERM as well. Similarly, the accumulated information on operational risks gained through managing insurances is also an important factor in the development of ERM. The results of ERM on operational risks (including business continuity management) can provide a clearer direction to insurance management by highlighting areas that must be covered by insurance and where further analysis is required to make decisions on how to manage the related risks.

Besides providing information on the most imperative risks that MOL Group faces, Risk Management also supports top management and the Board of Directors in optimizing investment decision making, taking into consideration the risk profile of each project. For this purpose, Group Risk Management is involved in the evaluation of major projects through the utilization of its ERM capabilities by providing its opinion on capital allocation and financing headroom.

APPENDIX

APPENDIX I

IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT AND EBITDA (in HUF mn)

MOL GROUP	FY 2013	FY 2014
OPERATING PROFIT EXCLUDING SPECIAL ITEMS	**148,463**	**109,069**
UPSTREAM	**(32,858)**	**(35,026)**
Gain on divestiture of Russian companies	10,507	12,679
Impairment on INA Syrian assets (non-current and current)	(43,365)	(52,426)
Disputed gas price differential		6,436
INA provision for redundancy		(1,715)
DOWNSTREAM	**(176,645)**	**(31,273)**
Impairment on INA's refinery assets	(26,745)	(15,990)
Gain on sale of surplus state reserves of Slovnaft Polska	3,420	
Tax penalty of INA	(5,005)	(9,095)
IES write-off	(123,813)	
SN CAPEX reclassification	(1,665)	
IES scrapping	(3,324)	
IES provision for dismantling, restructuring	(10,255)	(4,145)
IES provision for redundancy	(9,258)	
Compensation for damages to CMEPS s.r.o.		(38)
INA provision for redundancy		(2,005)
GAS MIDSTREAM	**(2,851)**	
Loss on MMBF transaction	(2,851)	
CORPORATE and OTHER		**(2,690)**
Impairment on INA Syrian assets (Crosco)		(1,336)
INA provision for redundancy		(1,354)
INTERSEGMENT	**45,263**	
Gain on MMBF transaction	45,263	
TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	**(167,091)**	**(68,989)**
OPERATING PROFIT	**(18,628)**	**40,080**

MOL GROUP	**FY 2013**	**FY 2014**
EBITDA EXCLUDING SPECIAL ITEMS	**494,226**	**410,221**
UPSTREAM	**10,507**	**15,403**
Gain on divestiture of Russian companies	10,507	12,679
Impairment on INA Syrian assets (non-current and current)		(1,997)
Disputed gas price differential		6,436
INA provision for redundancy		(1,715)
DOWNSTREAM	**(26,087)**	**(15,283)**
Gain on sale of surplus state reserves of Slovnaft Polska	3,420	
Tax penalty of INA	(5,005)	(9,095)
SN CAPEX reclassification	(1,665)	
IES scrapping	(3,324)	
IES provision for dismantling, restructuring	(10,255)	(4,145)
IES provision for redundancy	(9,258)	
Compensation for damages to CMEPS s.r.o.		(38)
INA provision for redundancy		(2,005)
GAS MIDSTREAM	**(2 851)**	
Loss on MMBF transaction	(2 851)	
CORPORATE and OTHER		**(1,977)**
Impairment on INA Syrian assets (Crosco)		(623)
INA provision for redundancy		(1,354)
INTERSEGMENT	**45,263**	
Gain on MMBF transaction	45,263	
TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	**26,832**	**(1,857)**
EBITDA	**521,058**	**408,364**

APPENDIX II

Notes

[1] Net external sales revenues and operating profits include profits arising both from sales to third parties and transfers to the other Business Units. Upstream transfers domestically-produced crude oil, condensates and LPG to Downstream and natural gas to Gas Midstream. Internal transfer prices are based on prevailing market prices. Gas transfer prices equal average import prices. Segmental figures include the results of fully-consolidated subsidiaries engaged in their respective segments.

[2] This line shows the effect on operating profits of the change in the amount of unrealised profit in respect of intersegment transfers. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third-party sale takes place but only in a subsequent quarter. For segmental reporting purposes, the transferor segment records a profit immediately at point of transfer. However, at the Company level, profits are only reported when a related third-party sale has taken place. In previous years, this unrealised profit effect was not shown separately, but was included in the reported segmental result of the receiving segment. Unrealised profits arise principally in respect of transfers from Upstream to Gas Midstream.

[3] Special items affected operating profits and EBITDA is detailed in Appendix I.

[4] Estimated Current Cost of Supply-based EBITDA and operating profit/(loss) excluding special items, and impairment on inventories in Refining & Marketing.

[5] In converting HUF financial data into USD, 223.7 HUF/USD NBH rate was used for FY 2013, while FY 2014 figure has been calculated by converting the results of each month in the period on its actual monthly average HUF/USD NBH rate.

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2014

Statistical code: 10625790-1920-114-01
Company registration number: 01-10-041683

data in HUF million

Code	*Description*	*Previous year*	*Current year*
A.	**NON-CURRENT ASSETS**	**2,100,190**	**2,448,582**
I.	**INTANGIBLE ASSETS**	**32,432**	**34,786**
1.	Capitalised cost of foundation and restructuring	967	752
2.	Capitalised research and development cost	2,950	2,555
3.	Property rights	12,683	16,241
4.	Intellectual property	3,136	2,542
5.	Goodwill	12,696	12,696
6.	Advances on intellectual property	0	0
7.	Revaluation of intangible assets	0	0
II.	**PROPERTY, PLANT AND EQUIPMENT**	**281,647**	**290,867**
1.	Land and building and related property rights	155,718	152,559
2.	Plant, machinery and vehicles	66,713	62,803
3.	Other equipment, fixtures and vehicles	5,480	6,191
4.	Livestock	0	0
5.	Assets under construction	53,735	69,314
6.	Advances on assets under construction	1	0
7.	Revaluation of property, plant and equipment	0	0
III.	**NON-CURRENT FINANCIAL INVESTMENTS**	**1,786,111**	**2,122,929**
1.	Long-term investments	1,362,409	1,832,193
2.	Long-term loans to related parties	300,351	122,472
3.	Other long-term investments	118,225	130,779
4.	Long-term loans to other investments	5,118	5,991
5.	Other long-term loans	8	31,494
6.	Long-term debt securities	0	0
7.	Revaluation of financial investments	0	0
8.	Fair valuation difference of financial investments	0	0

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2014

Statistical code: 10625790-1920-114-01
Company registration number: 01-10-041683

data in HUF million

Code	*Description*	*Previous year*	*Current year*
B.	**CURRENT ASSETS**	**937,065**	**729,699**
I.	**INVENTORIES**	**165,203**	**140,924**
1.	Raw materials and consumables	61,585	53,308
2.	Unfinished production and semi-finished products	44,364	41,421
3.	Grown, fattened and other livestock	0	0
4.	Finished products	49,004	35,386
5.	Merchandises	10,250	10,809
6.	Advances on stocks	0	0
II.	**RECEIVABLES**	**284,411**	**284,774**
1.	Receivables from the supply of goods and services (customers)	82,770	79,040
2.	Receivables from related parties	78,306	141,022
3.	Receivables from other investments	1	21
4.	Receivables from bills of exchange	0	0
5.	Other receivables	109,006	18,125
6.	Fair valuation difference of receivables	0	0
7.	Positive valuation difference of derivative transactions	14,328	46,566
III.	**SECURITIES**	**38,514**	**223,175**
1.	Investments in related parties	825	708
2.	Other investments	0	0
3.	Treasury shares	31,085	0
4.	Debt securities for trading purposes	6,604	208,479
5.	Fair valuation difference of securities	0	13,988
IV.	**CASH AND CASH EQUIVALENTS**	**448,937**	**80,826**
1.	Cash and cheques	1,377	1,292
2.	Bank accounts	447,560	79,534
C.	**PREPAYMENTS**	**21,554**	**11,099**
1.	Accrued income	7,551	4,655
2.	Prepaid cost and expenses	14,003	6,444
3.	Deferred expenses	0	0
TOTAL ASSETS		**3,058,809**	**3,189,380**

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2014

Statistical code: 10625790-1920-114-01
Company registration number: 01-10-041683

data in HUF million

Code	*Description*	*Previous year*	*Current year*
D.	**SHAREHOLDERS' EQUITY**	**1,714,055**	**1,835,072**
I.	SHARE CAPITAL	104,519	104,519
	Of which: treasury shares at nominal value	2,485	0
II.	REGISTERED BUT UNPAID CAPITAL (-)	0	0
III.	SHARE PREMIUM	223,866	223,866
IV.	RETAINED EARNINGS	1,416,077	1,376,251
V.	TIED-UP RESERVE	45,912	8,080
VI.	VALUATION RESERVE	1,339	1,813
1.	Revaluation adjustment reserve	0	0
2.	Fair valuation reserve	1,339	1,813
VII.	NET INCOME FOR THE PERIOD	(77,658)	120,543
E.	**PROVISIONS**	**132,069**	**131,617**
1.	Provisions for expected liabilities	132,069	131,617
2.	Provisions for future expenses	0	0
3.	Other provisions	0	0
F.	**LIABILITIES**	**1,188,937**	**1,193,758**
I.	**SUBORDINATED LIABILITIES**	**0**	**0**
1.	Subordinated liabilities to related parties	0	0
2.	Subordinated liabilities to other investment	0	0
3.	Subordinated liabilities to third parties	0	0
II.	**LONG-TERM LIABILITIES**	**599,691**	**430,132**
1.	Long-term loans	0	0
2.	Convertible bonds	0	0
3.	Liability from bond issue	445,365	236,168
4.	Liabilities from capital investment and development loans	0	0
5.	Liabilities from other long-term loans	47,818	66,076
6.	Long-term liabilities to related parties	106,217	127,622
7.	Long-term liabilities to other investments	0	0
8.	Other long-term liabilities	291	266

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2014

Statistical code: 10625790-1920-114-01
Company registration number: 01-10-041683

data in HUF million

Code	*Description*	*Previous year*	*Current year*
III.	**SHORT-TERM LIABILITIES**	**589,246**	**763,626**
1.	Short-term borrowings	11,000	236,168
	Of which: convertible bonds	0	0
2.	Short-term loans	42,159	32,333
3.	Advances from customers	1,008	525
4.	Liabilities from the supply of goods and services (suppliers)	152,729	100,879
5.	Bills of exchange	0	0
6.	Short-term liabilities to related parties	115,572	104,550
7.	Short-term liabilities to other investments	3	3
8.	Other short-term liabilities	154,974	87,590
9.	Fair valuation difference of liabilities	0	0
10.	Negative valuation difference of derivative transactions	111,801	201,578
G.	**ACCRUALS**	**23,748**	**28,933**
1.	Deferred revenues	745	113
2.	Accrued cost and expenses	20,651	24,102
3.	Other deferred income	2,352	4,718
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,058,809**	**3,189,380**

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2014

Statistical code: 10625790-1920-114-01
Company registration number: 01-10-041683

data in HUF million

Code	Description	Previous year	Current year
01.	Net domestic sales revenue	1,880,460	1,797,652
02.	Net export sales revenue	589,169	593,926
I.	**NET SALES REVENUES**	**2,469,629**	**2,391,578**
03.	Changes in own produced inventory	(6,800)	(16,561)
04.	Work performed by the enterprise and capitalised	10,404	14,335
II.	**CAPITALISED OWN PERFORMANCE**	**3,604**	**(2,226)**
III.	**OTHER OPERATING INCOME**	**41,498**	**88,345**
	of which: reversed impairment	4	0
05.	Raw material costs	1,380,678	1,356,278
06.	Value of services used	93,742	95,998
07.	Other services	169,313	179,094
08.	Cost of goods sold	295,462	227,497
09.	Value of services sold (intermediated)	3,968	5,582
IV.	**MATERIAL EXPENSES**	**1,943,163**	**1,864,449**
10.	Wages and salaries	40,764	43,881
11.	Other personnel expenses	6,423	6,454
12.	Tax and contributions	12,582	13,508
V.	**PERSONNEL EXPENSES**	**59,769**	**63,843**
VI.	**DEPRECIATION**	**45,702**	**45,730**
VII.	**OTHER OPERATING EXPENSES**	**382,660**	**436,990**
	of which: impairment	4,759	11,661
A.	**PROFIT OR LOSS FROM OPERATING ACTIVITIES**	**83,437**	**66,685**

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2014

Statistical code: 10625790-1920-114-01
Company registration number: 01-10-041683

data in HUF million

Code	***Description***	***Previous year***	***Current year***
13.	Received (due) dividend	93,758	106,099
	of which: received from related parties	90,824	94,773
14.	Gain from the sale of investments	2,288	144
	of which: received from related parties	0	0
15.	Interest and exchange rate gains on financial investments	23,318	10,567
	of which: received from related parties	23,288	9,914
16.	Other received (due) interest and interest-type revenues	14,520	8,820
	of which: received from related parties	514	377
17.	Other revenues of financial transactions	108,838	231,106
	of which: fair valuation difference	33,046	76,850
VIII.	**TOTAL FINANCIAL INCOME**	**242,722**	**356,736**
18.	Exchange rate loss on financial investments	0	0
	of which: to related parties	0	0
19.	Interest and interest-type expenses	35,434	34,151
	of which: to related parties	8,454	8,919
20.	Impairment on investments, securities, bank deposits	160,898	46,550
21.	Other financial expenses	206,436	214,861
	of which: fair valuation difference	136,434	145,245
IX.	**TOTAL FINANCIAL EXPENSES**	**402,768**	**295,562**
B.	**FINANCIAL PROFIT OR LOSS**	**(160,046)**	**61,174**
C.	**ORDINARY BUSINESS PROFIT**	**(76,609)**	**127,859**
X.	Extraordinary revenues	21,284	53,806
XI.	Extraordinary expenses	21,628	60,988
D.	**EXTRAORDINARY PROFIT OR LOSS**	**(344)**	**(7,182)**
E.	**PROFIT BEFORE TAXATION**	**(76,953)**	**120,677**
XII.	Income tax	705	134
F.	**PROFIT AFTER TAXATION**	**(77,658)**	**120,543**
22.	Use of retained earnings for dividend	60,000	0
23.	Approved dividend and profit share	60,000	0
G.	**NET INCOME FOR THE PERIOD**	**(77,658)**	**120,543**

MOL Hungarian Oil and Gas Public Limited Company and Subsidiaries
Consolidated balance sheet as of 31 December 2014 prepared in accordance with International Financial Reporting Standards

	Notes	2014	2013 Restated
ASSETS		HUF million	HUF million
Non-current assets			
Intangible assets	4	371,236	323,646
Property, plant and equipment	5	2,513,014	2,252,927
Investments in associated companies and joint ventures	10	165,776	128,220
Available-for-sale investments	11	20,796	14,636
Deferred tax assets	30	75,000	64,578
Other non-current assets	12	101,692	66,953
Total non-current assets		**3,247,514**	**2,850,960**
Current assets			
Inventories	13	364,591	465,506
Trade receivables	14	450,985	512,584
Securities	33	222,467	6,604
Other current assets	15	144,252	219,881
Income tax receivable		15,973	39,447
Cash and cash equivalents	16, 36	203,743	564,170
Total current assets		**1,402,011**	**1,808,192**
TOTAL ASSETS		**4,649,525**	**4,659,152**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	17	79,229	79,215
Reserves		1,666,438	1,604,887
Profit/(loss) for the year attributable to equity holders of the parent		4,078	21,901
Equity attributable to equity holders of the parent		**1,749,745**	**1,706,003**
Non-controlling interests		445,993	473,517
Total equity		**2,195,738**	**2,179,520**
Non-current liabilities			
Long-term debt, net of current portion	19	455,039	673,248
Provisions	20	393,192	310,912
Deferred tax liabilities	30	49,820	74,877
Other non-current liabilities	21	28,637	27,247
Total non-current liabilities		**926,688**	**1,086,284**
Current liabilities			
Trade and other payables	22	969,738	1,034,195

Income tax payable		5,542	2,537
Provisions	20	44,703	47,219
Short-term debt	23	180,448	211,223
Current portion of long-term debt	19	326,668	98,174
Total current liabilities		**1,527,099**	**1,393,348**
TOTAL EQUITY AND LIABILITIES		**4,649,525**	**4,659,152**

MOL Hungarian Oil and Gas Public Limited Company and Subsidiaries
Consolidated balance sheet as of 31 December 2014 prepared in accordance with International Financial Reporting Standards

	Notes	2014	2013 Restated
		HUF million	HUF million
Net revenue	3, 24	4,866,607	5,400,417
Other operating income	25	26,598	75,696
Total operating income		**4,893,205**	**5,476,113**
Raw materials and consumables used		3,910,598	4,418,408
Personnel expenses	26	260,242	259,747
Depreciation, depletion, amortisation and impairment		368,284	539,686
Other operating expenses	27	288,681	293,727
Change in inventories of finished goods and work in progress		73,533	24,748
Work performed by the enterprise and capitalized		(48,213)	(41,575)
Total operating expenses		**4,853,125**	**5,494,741**
Operating profit		**40,080**	**(18,628)**
Finance income	28	35,300	29,385
Of which: Fair valuation difference of conversion option	28	601	-
Finance expense	28	139,764	87,729
Of which: Fair valuation difference of conversion option	28	-	271
Finance expense, net	**28**	**104,464**	**58,344**
Income from associates		18,902	20,062
Profit/(loss) before tax		**(45,482)**	**(56,910)**
Income tax expense	30	5,384	(37,959)
Profit/(loss) for the year		**(50,866)**	**(18,951)**
Attributable to:			
Equity holders of the parent		4,078	21,901
Non-controlling interests		(54,944)	(40,852)
Basic earnings per share			
Attributable to ordinary equity holders of the parent (HUF)	31	**(39)**	**165**
Diluted earnings per share			
Attributable to ordinary equity holders of the parent (HUF)	31	**(39)**	**165**

MOL Hungarian Oil and Gas Public Limited Company and Subsidiaries
Consolidated balance sheet as of 31 December 2014 prepared in accordance with International Financial Reporting Standards

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MOL Hungarian Oil and Gas Public Limited Company and Subsidiaries
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Diluted earnings per share			
Attributable to ordinary equity holders of the parent (HUF)	31	**(39)**	**165**

Proposal to Item No. 1 of the Agenda

Auditor's report on the 2014 financial statements presented by the Board of Directors

Our shareholders are requested to note that the Auditor's Reports form integral parts of the Annual Report and Consolidated Annual Report for 2014 of MOL Plc. and the information set out in these reports should be considered in conjunction with the financial statements indicated in said reports (Balance-sheet and Profit and Loss Statement) and with the supplementary notes, not present in the General Meeting materials. For a better understanding of MOL Plc.'s and MOL Group's consolidated financial position as of 31 December 2014 and the results of its operations for the year then ended, the accompanying balance sheets and statements of operations should be read in conjunction with the supplement (notes) to the financial statements.

Independent Auditors' Report

To the Shareholders MOL Hungarian Oil and Gas Plc.

Report on financial statements

1.) We have audited the accompanying 2014 annual financial statements of MOL Hungarian Oil and Gas Plc. (“the Company”), which comprise the balance sheet as at 31 December 2014 - showing a balance sheet total of HUF 3,189,380 million and a profit for the year of HUF 120,543 million, the related profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the financial statements

2.) Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Hungarian Accounting Law, 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.

Auditors’ responsibility

3.) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity’s preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6.) In our opinion the annual financial statements give a true and fair view of the equity and financial position of MOL Hungarian Oil and Gas Plc. as at 31 December 2014 and of the results of its operations for the year then ended in accordance with the Hungarian Accounting Law.

Emphasis of matter

7.) We draw attention to note Note 3.4.6 in the supplementary notes to the financial statements describing that the Company departed from § 41. (1) of the 2000. C. accounting law based on its allowance described in § 4. (4) in order to harmonise field abandonment provisioning with the international industry practice. Our opinion is not qualified in respect of this matter.

Other matters

8.) This independent auditor’s report has been issued for consideration by the forthcoming shareholders’ meeting for decision making purposes and, as such, does not reflect the impact, if any, of the resolutions to be adopted at that meeting.

Other reporting requirement- Report on the business report

9.) We have reviewed the business report of MOL Hungarian Oil and Gas Plc. for 2014. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether the business report is consistent with the financial statements for the same financial year. Our work regarding the business report has been restricted to assessing whether the business report is consistent with the financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the business report of MOL Hungarian Oil and Gas Plc. for 2014 corresponds to the disclosures in the 2014 financial statements of MOL Hungarian Oil and Gas Plc.

Other reporting requirement- Report on the Unbundling of the activities

10.) In accordance with section 105A/(1) of act LXXXVI of 2007 on Electric Energy we have examined note 48 to the accounts which presents Unbundling of the activities to the financial statements of the Company for 2014.

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 separate presentation of unbundled activities in the notes to the financial statements in accordance with section 105/(2)-(4) of act LXXXVI of 2007 on Electric Energy.

Our responsibility is to express a conclusion on information included in note 48. We performed our limited assurance engagement in accordance with Hungarian National Standard on Assurance Engagements. Those standards require that we comply with ethical requirements and plan and perform the limited assurance engagement in order to obtain a limited assurance that the Company meets the requirements on cross financing and separate presentation of unbundled activities contained in the Hungarian Accounting law and the guidance of the Hungarian Energy Office. The evidence-gathering procedures are more limited than for a reasonable assurance engagement, and that therefore less assurance is obtained than in a reasonable assurance engagement. We have also not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accounting policies applied by the Company and the information included in note 48, in all material respects, are not in line with the Hungarian Accounting law with section 105/(2)-(4) of act LXXXVI of 2007 on

Electric Energy and the guidance of the Hungarian Energy Office related to unbundling and elimination of cross financing between activities.

Budapest, 16 March 2015

(The original Hungarian language version has been signed)

Bartha Zsuzsanna	Bartha Zsuzsanna
Ernst & Young Kft.	Registered auditor
Registration No.: 001165	Chamber membership No.: 005268

Independent Auditors' Report

To the Shareholders MOL Hungarian Oil and Gas Plc.

Report on financial statements

1.) We have audited the accompanying 2014 consolidated annual financial statements of MOL Hungarian Oil and Gas Plc. (“the Company”), which comprise the consolidated balance sheet as at 31 December 2014 - showing a balance sheet total of HUF 4,649,525 million and a loss for the year of HUF 50,866 million -, the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the consolidated financial statements

2.) Management is responsible for the preparation and presentation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by EU, 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.

Auditor’s responsibility

3.) Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Hungarian National and International Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity’s preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6.). In our opinion the consolidated annual financial statements give a true and fair view of the equity and financial position of MOL Hungarian Oil and Gas Plc. as at 31 December 2014 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards as adopted by EU.

Other reporting requirement – Report on the consolidated business report

7.) We have reviewed the consolidated business report of MOL Hungarian Oil and Gas Plc. for 2014. Management is responsible for the preparation of the consolidated business report in accordance with the Hungarian legal requirements. Our responsibility is to assess whether the consolidated business report is consistent with the consolidated financial statements for the same financial year. Our work regarding the consolidated business report has been restricted to assessing whether the consolidated business report is consistent with the consolidated annual financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the consolidated business report of MOL Hungarian Oil and Gas Plc. for 2014 corresponds to the disclosures in the 2014 consolidated annual financial statements of MOL Hungarian Oil and Gas Plc.

Budapest, 16 March 2015

Bartha Zsuzsanna
Ernst & Young Kft.
Registration No.: 001165

Bartha Zsuzsanna
Registered auditor
Chamber membership No.: 005268

Proposal to Item No. 1 of the Agenda

Report of the Supervisory Board on the 2014 financial statements and on the proposal for the distribution of profit after taxation and its opinion on the Board of Directors' proposals to be submitted to the general meeting

The Supervisory Board and the Audit Committee performed their duties in full accordance with their statutory obligations; 5 meetings were held jointly during the year to review various agenda points in common. Regular agenda points of these meetings included quarterly reports of the Board of Directors on Company operations as well as reports by Internal Audit, Corporate Compliance Office and the Audit Committee itself. In addition, the Supervisory Board reviewed proposals for the Annual General Meeting. The report of the Supervisory Board was prepared pursuant to the report of the Board of Directors, the opinions of the auditors, scheduled regular mid-year reviews and the work of the Audit Committee. At its meetings during 2014, the Supervisory Board dealt in detail with MOL Group's business situation and the strategic development of the Group and its Divisions. The Supervisory Board regularly received information on the decisions of the Board of Directors and issues concerning the Company.

MOL, with its close to USD 5 billion market capitalisation at end of 2014, is one of the leading integrated company in the CEE region.

The Company's 2014 financial statements - in accordance with Accounting Law - provide a true and fair picture of its economic activities and were audited by Ernst & Young Kft. 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 are consistent with the accounting policies of the Company. All figures in the balance sheet are supported by analytical registration. Assessment and payment of tax obligations were implemented as prescribed by law.

A total of 126 companies were fully, and a further 11 companies partially, consolidated in MOL Group, using the equity method. Last year, the ownership structure changed to a limited extent: at the end of 2014, compared to the end of the prior year, the shareholding of foreign institutional investors decreased slightly, the ownership of domestic institutional investors increased from 2.8% to 5.6%, while the shareholding of private investors remain broadly unchanged. According to requests for the registration of shares received and published shareholder notifications, the Company had six shareholders or shareholder groups that held more than 5% voting rights on 31 December 2014. MOL's largest shareholder is the Hungarian State which holds 24.7% of MOL shares. The Company held 2.7% treasury shares at the end of December 2014, 0.3% higher than a year before.

Despite a challenging external environment, MOL Group delivered a firm performance in 2014 and reported a HUF 511bn Clean CCS EBITDA. Despite the falling oil price in the second half of the year this is just a marginally lower figure (one percent) compared to 2013. Additionally, MOL grew its capital expenditures, while keeping gearing and indebtedness at relatively low levels. These excellent results are the reflection of the strength and resilience of the integrated business model, having managed to strike the right balance between Upstream and Downstream.

The Upstream division financial results decreased considerably compared to 2013, however, results are satisfactory in light of the drastic decrease in oil prices during the second half of 2014. Despite the lower financial performance, there were several key positive milestones achieved during the year which bode well for the future growth of MOL. These included a) gradual increase of production since the middle of 2014, b) over 100% organic reserves replacement ratio due to sizeable reserves booking in international projects, and c) further optimization of the international E&P portfolio in line with the company's strategy and entering into the North Sea region.

As for Downstream, it delivered very strong financial and operational performance. Full year Clean CCS EBITDA improved by over 30% compared to 2013 and MOL reported its best quarterly results in the last ten years during the second half of 2014. The improvement was attributed to a more favourable external environment, but was also driven by the implementation of internal efficiency measures. The New Downstream Program was successfully closed in 2014 in line with expectations. Despite these great results, MOL has launched the Next Downstream Program, which for the period of 2015-17, will target additional USD 500 mn improvement through a combination of additional efficiency measures and growth projects.

Overall, in 2014 MOL managed to maintain its strong financial position due to its resilient integrated business model. Looking forward, despite all the difficulties faced by the current external environment MOL remains committed to maintain its strong cash flow generating ability and balance sheet position. This continues to leave room for possible inorganic steps targeting attractive growth opportunities as MOL seeks to renew its asset base in Upstream and further strengthening its Downstream position across the CEE region.

Although the combination of a low oil price, an uncertain geopolitical scene and a tightening regulatory environment pose considerable challenges, we are confident that in line with the Company's objectives and expectations, MOL can successfully face all the challenges underpinned by the solid foundations laid down over the years.

The Supervisory Board proposes that the General Meeting approve the audited financial statements of MOL Plc. for 2014, with a balance-sheet total of HUF 3,189 billion, net income of minus HUF 121 billion and tied-up reserve of HUF 8 billion and the audited consolidated financial statements of MOL Group for 2014, with a balance sheet total of HUF 4,650 billion and profit attributable to equity holders of HUF 4 billion.

The Supervisory Board endorses the recommendation of the Board of Directors to pay out HUF 50 billion dividend in 2015 based on the year ended 31st December, 2014. The proposed amount represents the continuation of the last years' gradually increasing pay out trend of the regular dividend payment.

The Supervisory Board has reviewed and surveyed all proposals of the Board of Directors to be submitted to the General Meeting and recommends to the General Meeting to approve those proposals.

The Audit Committee provided assistance to the Supervisory Board in supervising the financial report regime and the 2014 financial statements and supported the report of the Supervisory Board.

Budapest, 24 March, 2015

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

György Mosonyi
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 2014 consolidated financial statements prepared in compliance with IFRS and the parent company financial statements prepared in accordance with the Hungarian Accounting Act, the use of the after tax profits and the amount of dividend

Proposed resolution

The Board of Directors proposes to the Annual General Meeting to approve the consolidated financial statements of MOL Group prepared based on chapter 10 of the Hungarian Accounting Act, in accordance with IFRS and the related auditor's report with total assets of HUF 4,650 bn and profit attributable to equity holders of HUF 4 bn.

The Board of Directors proposes to the Annual General Meeting to approve the annual report of MOL Plc. prepared in accordance with Hungarian Accounting Act and the related auditors' report with total assets of HUF 3,189 bn, net gain for the period of HUF 121 bn and tiedup reserve of HUF 8 bn.

Proposal to Item No. 1 of the Agenda

Decision on the amount of dividend after 2014

MOL has always followed a conservative financial policy, and remains committed to give its shareholders a competitive return on their investment through the distribution of dividends as well, if there is a room in the balance sheet to responsibly do so, whilst ensuring an adequate financial stability. The dividend payment proposal of the Board of Directors has been always determined by the actual balance sheet position, which has a top priority, as well as the outlook for organic as well as inorganic opportunities.

Based on this approach in the past three years MOL has always paid out a dividend, moreover the level of regular dividend payment increased gradually year on year, amounting to HUF 47bn in 2014. Last year on the top of the regular dividend, as a special dividend MOL also paid out 25% (HUF 13bn) of the gain realized on the monetization of some Russian upstream assets and MOL's 72.5% stake in MMBF Zrt., the operator of a gas storage facility in Hungary.

MOL has considerable organic and inorganic growth projects with sizeable investment needs, across the corporation. International exploration and development programs in the Upstream division has been accelerated, especially in Kurdistan Region of Iraq and on the North Sea. Downstream division also has sizable growth ambitions, which require additional investments, among others in Retail. On top of the organic projects MOL also seeks good inorganic opportunities to renew its asset base in Upstream, while simultaneously strengthening and further expanding its Downstream position in the CEE region.

2014 was a challenging year not only for the company, but for the whole oil sector as well with crude oil price plunging by almost half. Yet despite the challenges faced, the strength and resilience of MOL's integrated business model combined with our conservative financial policy meant that MOL not only managed to maintain its robust financial position, but also delivered strong financial results. MOL invested the highest level of organic CAPEX of the last five years in 2014 and also concluded two upstream acquisitions on the North Sea and a retail acquisition in the CEE. Even after these organic and inorganic investments, which will fuel future growth, at the end of 2014 MOL's simplified Net Debt to EBITDA ratio remained at a healthy level of 1.31x. In parallel, MOL's net gearing ratio stood at 19.6%. Due to its integrated business model MOL can deliver robust results in 2015 as well, even in the changed external environment.

As a result of these achievements, and taking into account the aforementioned financial principles, the Board of Directors proposes to the Annual General Meeting that a dividend of HUF 50bn shall be paid for the financial period that ended on December 31, 2014. The proposed amount represents the continuation of the last years' gradually increasing pay-out trend of the regular dividend payment.

Proposed resolution

The Board of Directors proposes to the General Meeting that HUF 50bn shall be paid out as a dividend in 2015, for the financial year ended 31 December 2014. The dividend on treasury shares will be distributed to those shareholders eligible for such dividend, in proportion to their number of shares. The profit after dividend payment shall increase retained earnings.

Proposal to Item No. 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.

In 2007, BSE issued new Corporate Governance Recommendations ("CGR"). 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 size of the declaration increased significantly. Until 2007, issuers had to make declaration consisting of 22 questions, from that year more than 100 questions had to be responded.

The CGR was modified and the new Recommendations are effective from 1 December 2012. There were only smaller updates not referring to the content of the recommendations (neither conceptional nor structural changes). The number of questions increased as some recommendations and suggestions used to refer to several bodies or committees within the same item, such questions were separated in order to allow responses differentiated by bodies or committees. There was no change in 2014.

The Corporate Governance Guidelines of the BSE are available on:
www.bse.hu

Proposed resolution

The Board of Directors upon the approval of the Supervisory Board agrees to propose the AGM the approval of the Corporate Governance Report, based on the Corporate Governance Recommendations of the Budapest Stock Exchange.

DECLARATION
MOL Group Corporate Governance Report in accordance with

Budapest Stock Exchange Corporate Governance Recommendations

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 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 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 2015 for the first time and its last update was fulfilled in 2012. 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.

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 considerations onto 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.

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 (six 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):

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 from 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

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 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.

Members of the Board have signed a declaration on conflict of interest and they have reported their position as director in 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 reviews continuously 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:

	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 of the 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 for 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 company homepage):

- Dr. Sándor Csányi – Chairman, 17 November 2000
- Zsolt Hernádi, 8 September 2000
- Dr. Gábor Horváth, 8 September 2000[1]
- Dr. Martin Roman, 4 June 2010
- Mulham Al-Jarf, 23 April 2008[2]
- Dr. Anthony Radev, 30 May, 2014[3]
- Dr. János Martonyi, 1 July, 2014[4]

[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 from 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

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 and 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	Comments
TOTAL	6	90%	
Dr. Sándor CSÁNYI	5	83%	
Zsolt HERNÁDI	5	83%	
Mulham AL-JARF	2	100%	Resigned from his position as member of the Board of Directors effective from 29 April, 2014
Dr. Martin ROMAN	5	83%	
Dr. Anthony RADEV	3	100%	Elected to be member of the Committee by the Board of Directors on 30 May, 2014
Dr. János MARTONYI	3	100%	Elected to be member of the Committee by the Board of Directors on 1 July, 2014

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.

Finance and Risk Management Committee:

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

- Dr. Miklós Dobák – Chairman, 25 October 2002[1]
- Zsigmond Járai – Chairman, 4 June 2010
- Iain Paterson, 8 September 2000[2]
- Dr. László Parragh, 20 February, 2014
- Dr. Anthony Radev, 30 May, 2014[3]
- Dr. Anwar al-Kharusi, 30 May, 2014[4]

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

2 Mandate of Iain Paterson as member of the Board of Directors expired on 24 February, 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. Anwar al-Kharusi was elected to be a member of the Committee by the Board of Directors on 30 May, 2014

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 the risk management,
- monitoring the liquidity position of the Company, the financial and operational risks as well as the methodology and strategy of management thereof, review the operation of 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 an 83% average attendance rate. Attendance to the Committee meetings during 2014 is set out in the table below:

	Number of Meetings	Attendance Ratio	Comments
TOTAL	5	83%	
Dr. Miklós DOBÁK	2	100%	Chairman of the Committee until 29 April, 2014
Zsigmond JÁRAI	4	80%	Elected to be Chairman of the Committee by the Board of Directors on 30 May, 2014
Dr. László PARRAGH	3	75%	Elected to be member of the Committee by the Board of Directors on 20 February, 2014
Iain PATERSON	1	100%	Mandate as member of the Board of Directors expired on 24 February, 2014
Dr. Anthony RADEV	1	50%	Elected to be member of the Committee by the Board of Directors on 30 May, 2014
Dr. Anwar AL-KHARUSI	2	100%	Elected to be member of the Committee by the Board of Directors on 30 May, 2014

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 the status reports on risk management actions attached to these factors.

Sustainable Development Committee:

Members and dates of appointment (professional backgrounds of members are available on company homepage):

- Iain Paterson – Chairman, 29 June 2006[1]
- Dr. László Parragh – Chairman, 4 June, 2010[2]
- József Molnár, 5 September, 2013 (interim Chairman between 20 February and 30 May, 2014)
- Dr. Anwar al-Kharusi, 30 May, 2014[3]
- Dr. János Martonyi, 1 July, 2014[4]
- Dr. Oszkár Világi, 30 May, 2014[5]

[1] Mandate of Iain Paterson as member of the Board of Directors expired on 24 February 2014
[2] Dr. László Parragh was elected to be the Chairman of the Committee by the Board of Directors on 30 May, 2014
[3] Dr. Anwar al-Kharusi 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] Dr. Oszkár Világi was elected to be a member of the Committee by the Board of Directors on 30 May, 2014

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 (e.g. HSE, Code of Ethics, etc.) and discuss ethical issues
- supervise the 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 of the 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	Comments
TOTAL	4	90%	
Iain PATERSON	1	100%	Chairman of the Committee until 24 February, 2014
József MOLNÁR	4	100%	Interim Chairman between 20 February and 30 May, 2014
Dr. László PARRAGH	4	100%	Elected to be Chairman of the Committee by the Board of Directors on 30 May, 2014
Dr. Oszkár VILÁGI	0	0%	Elected to be member of the Committee by the Board of Directors on 30 May, 2014
Dr. Anwar AL-KHARUSI	2	100%	Elected to be member of the Committee by the Board of Directors on 30 May, 2014
Dr. János MARTONYI	2	100%	Elected to be member of the Committee by the Board of Directors on 1 July, 2014

The Committee evaluated the accomplishment of the actions in 2014, formed opinion on Sustainable Development Report and decided on 2015 directions and targets. The Committee considered with highlighted attention the achieved results of 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 the 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 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 the role to provide a direct link between the Board of Directors and the Company's staff and at the same time canalize the matters submitted to the full Board. The EB renders preliminary opinions on certain proposals submitted to the Board, the EB is also responsible for the oversight of the execution of the Board's resolutions.

On the EB meetings each member has an obligation to express their opinion, on the basis of which final decision is 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 10 issues on a meeting on average.

Annual remuneration for the members of the Board of Directors

As of January 1, 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 times) 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 the members of MOL Board of Directors, which supports further commitment of the participants and takes the Company's profitability and long term growth into consideration. This can ensure that the interests of the participants in the compensation program coincide with interests of the shareholders.

Main principles of the incentive scheme for the Board of Directors were approved by the Annual General Meeting (AGM) on April 26, 2012 and it has been effective since 2012.

Incentive based on share allowance

From January 1, 2012 the Profit Sharing Incentive Plan based on the value added method has been replaced by the incentive based on share allowance as the long-term incentive for the 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 of the long-term stock price growth and maintain motivation in addition to the dividend payment for which 1 year retention obligation (restraint on alienation) has been also 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 the Members of the Board of Directors: 100 pieces of „A" series of MOL ordinary shares per month

for the Chairman of the Board of Directors: additional 25 pieces of „A" series of MOL ordinary 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, that is 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 with 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 part of the incentive system.
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, 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.

- **Other benefits**

Other non-financial benefits include a life and accident, travel- and liability insurance. Besides that an annual health screening and an exclusive healthcare package is also available for the 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) recognizes 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 consists of three key pillars:

- **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 the focus on the top management team to be aligned with the interests of shareholders

The Remuneration Mix of the Top Management:

	Fixed Annual Base Salary	Short Term Incentive	Lont Term Incentive
Chairman CEO	26%	26%	48%
Group CEO	28%	28%	44%
EB members	34%	34%	37%

The incentive system for the 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 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, representing in all EB members goal:

KPI	Definition
Financial	**Mandatory elements** are 2014 MOL Group CCS EBITDA and Divisional targets (e.g. 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 members in-line with their business strategies
	Human Resorces targets: - support the execution of Annual People Cycle to enchance MOL Group's performance culture - enchance 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 the participants on achieving stretching financial, business and individual performance goals reflecting 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 the participants based on a broad range of corporate and divisional measures that mirrors 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 not to create an 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 against the performance measures are a reflection of the underlying performance of the MOL Group.

3. Long Term Incentive system

The overaching purpose of the current long-term incentive systems is 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 sell hypothetically MOL shares granted on a past strike price at a spot price and so realizing a profit with the difference between the two prices. The incentive schemes has the following characteristics:

- It covers a 5-year period starting annually, with the period being split into a 2-year vesting period (exercising Stock Options is not possible) and a 3-year excersing period. If the Stock Option is not exercised, it lapses on December 31 of the last year.
- The grants are defined in line with job categories.
- The rate of incentive is linked to individual short-term performance with STI framework described above.

As a new part 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, in case 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 of the numbers of Stock Option awarded to the given the 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 3-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 3-year vesting period. Payments are due after the 3rd year.
- 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 industrial 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 during 3 years.
- The rate of incentive is linked to individual short-term performance.

Choice of Performance Measures for the LTI

The choice of LTI awards being linked to the share price and dividend distribution reflects the Board's strategic priority on restoring value creation. Through its long term incentives schemes, MOL prioritizes to provide its shareholders with a return on their investment through both the appreciation of the share price as well as through 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 incentivizing 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 & gas markets.

As the previous 1-year based Profit Sharing incentive was replaced by the 3-year based Performance Share Plan in 2013, a 1-year based incentive was introduced for 2013 and a 2-year based incentive was introduced for 2013-2014 to ensure continuity.

Other Fringe Benefits

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

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 present membership is nine. In accordance with Act V of 2013 on the Civil Code (Civil Code), 1/3 of the members shall be representatives of the employees, accordingly 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:

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 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 company’s operations and the reports of Internal Audit and Corporate Security and besides it is informed and is kept updated on other relevant issues, topics as well. In addition, the Supervisory Board reviews the proposals for the Annual General Meeting. The Supervisory Board reviews its annual activity during the year.

In 2014 the Supervisory Board held 5 meetings with a 91% attendance rate.

Remuneration of the members of the Supervisory Board

The Annual General Meeting held on April 27, 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 January 1, 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 the scheduled annual meetings. This remuneration is provided maximum 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. Besides that 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 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;
- 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.

Members of the Audit Committee and dates of appointment (professional backgrounds of members are available on company homepage):

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

and in case 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 5 meetings with a 100% average 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 the 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 impacts caused by the crisis. The Audit Committee reviewed the materials of the Annual General Meeting (i.e. financial reports, statements of the Auditor).

Integrated corporate risk management function

The aim of MOL Group Risk Management is to deal with challenges of the business environment to support a stable and sustainable operation and future growth of the company. MOL Group has developed risk management function as an integral part of its corporate governance structure.

Incorporation of the broadest variety of risks into one long-term, comprehensive and dynamic system is arranged by **Enterprise Risk Management** (**ERM**) on group level. ERM integrates financial and operational risks along with a wide range of strategic risks, also taking into consideration compliance issues and potential reputation effects. The ERM process identifies the most significant risks to the performance of the company. Risks are assessed based on a unified methodology and collected into risk maps at different levels. Risk responses and controls are reviewed and mitigation actions set and reviewed for completion regularly by top management.

The main risk drivers of the Group are the following

- **Commodity price risk:** MOL is exposed to commodity price risk on both the purchasing side and the sales side. The main commodity risks stem from long crude oil position to the extent of its group level production, long refinery margin position to the extent of the refined product volumes and long petrochemical margin position. Investors buying oil companies' share are generally willing to take the risk of oil business so commodity price risk should not be fully eliminated from the cash flow. However, commodity hedge deals are considered to eliminate risks other than 'business as usual' risks or general market price volatility.

- **Foreign Exchange (FX) risk:** Business operation is economically driven mainly by USD. The overall operating cash flow exposure of the Group is net long USD, EUR, RON, and net short HUF, HRK, RUB from economic point of view. According to MOL's current FX risk management policy the long FX exposures of the operating cash flow are decreased by the short financing cash flow exposures.

- **Regulatory risk:** Due to the economic crisis the risk of potential government actions increased as well as potential impact of such decisions.

- **Country risks:** The internationally extending portfolio requires the proper management of country risk exposures. Country exposures are monitored to enhance the diversification effect in the investment portfolio.

- **Drilling risks:** The uncertainty related to drilling success is a typical business risk in the exploration activity.

- **Equipment breakdown:** Due to the high asset concentration in Downstream business it is a significant risk driver. The potential negative effects are mitigated besides comprehensive HSE activities through a Group wide insurance management program.

- **Market demand uncertainties:** External factors like drop in market demand can affect MOL's results negatively.

- **Reputation risk:** Reputation of energy industry players has been in the focus of media for the past years due to extreme negative events (e.g. BP oil spill, Fukushima nuclear accident). MOL as a major market player in the region operates under special attention from stakeholders.

Some of the risks are managed centrally, while some are dealt by affected MOL Group companies or within the Business Units or Functions, overseen always by nominated risk owners. Risk Management regularly controls the realization of these risk mitigation actions – in a form of quarterly reports.

Main risk management tools

Enterprise Risk Management is a framework covering Business Units and Functional Units, which ensures incorporation of risks faced by the company into Risk Maps.

Risk analysis activity supports stable and efficient operation by identifying key risks that threaten achievement of company objectives and require specific attention by Top Management through strengthened controls or execution of mitigation actions. The Risk Map is a heat map used to graphically present major risks on a matrix using probability and impact ratings as a result of detailed risk assessment processes. The Risk Maps integrate Strategic, Operational and Financial risks, which are identified and reassessed on a quarterly basis, providing regular updates to Top Management on evolution of risks and status of mitigation actions.

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 by using a complex model based on Monte Carlo simulation, and are managed – if necessary - with risk mitigation tools (such as swaps, forwards and options).

Transferring of excess operational risks is done by **Insurance Management.** Purchase of insurances represents an important risk mitigation tool used to cover the most relevant operational and liability exposures. The major insurance types are: Property Damage, Business Interruption, Liability and Control of Well Insurance, set around a yearly cycle (i.e. annual renewal of most insurance programs). Insurance is managed through a joint program for the whole MOL Group to exploit considerable synergy effects.

Valuable synergies can be exploited when risk is approached in a comprehensive way

The existence of an integrated risk management function enables MOL to exploit the synergies between the above detailed pillars of risk management. The input sources of modelling financial risks are applied in ERM as well. Similarly, the accumulated information on operational risks gained through managing insurances is also an important factor in the ERM development. The results of ERM on operational risks (including business continuity management) can give a better direction to insurance management by highlighting areas that shall be covered by insurance as a must and which are those where further analysis is required to make decisions on how to manage the related risks.

Decision making support of capital allocation

Besides providing information on the most imperative risks that MOL Group faces, Risk Management also supports top management and the Board of Directors to take more educated decisions on investments, taking into consideration the risk profile of each project as well. To serve this purpose, Group Risk Management is involved in evaluation of major projects through the utilization of its ERM capabilities by providing opinion on capital allocation and financing headroom.

External auditors

The MOL Group was audited by Ernst and Young in both 2014 and 2013, excluding FGSZ Zrt. (audited by Pricewaterhouse Coopers).

Within the framework of the audit contract, E&Yperforms 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 mentioned 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 the stock exchange reports issued quarterly; however they do not perform an audit of or issue any opinion on such reports with regards to these.

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

	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	2
Tax advisory services	303	330
Total	**1 148**	**882**

*The specification has been modified for more transparent communication.

The increase of Audit fee for subsidiaries is almost entirely resulting 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 Netherland in connection with international Upstream operation. 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 homepage and the Financial Authority's publication site. . Moreover we 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 the Company's General Meeting. Investor feedbacks are regularly reported to the Board of Directors.

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 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 given special care to provide a considerably wide range of information to the capital markets, in line with international best practice. Therefore Investor Relations Department of MOL continuously renewing 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, in order to meet the requirements of our shareholders, analysts and other capital market participants.

In 2014 MOL participated in 6 roadshows and 11 investor conferences (1 US and 16 European) having around 230 meetings with potential and existing shareholders. Moreover 1 dedicated road show were organised to bond investors and MOL participated on 3 dedicated conferences to bond investors.

MOL Group is committed to the fair marketing of publicly-traded securities. Insider dealing in securities is also regarded as a criminal offence in most of the countries in which MOL Group carries out 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 laws and MOL’s insider trading regulation:

- it is prohibited to conclude a transaction, directly or indirectly, using inside information involving financial instruments to which the inside information pertains, or to commission the services of others to transact such deals, to convey inside information to others, to make a suggestion to another person to engage in dealing with any financial instrument to which the inside information pertains.
- in case the inside 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 the 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. The 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 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 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 Article 10.1.1 and 10.1.2.

Further, the shareholder shall, for 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 a 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 said requirements.

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 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 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. 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 company homepage 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 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 published by the Board of Directors 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.

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 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.

Level of compliance with the Recommendations

The company should indicate whether it applies the relevant recommendation or not, and in the case of a negative answer, it should provide the reasons for not applying the given recommendation.

R 1.1.1 The Managing Body ensured that shareholders received access to information in time to enable them to exercise their rights.

<u>Yes (Complies)</u> No (Please explain)

R 1.1.2 The company applies the "one share - one vote" principle.

Yes (Complies) <u>No (Please explain)</u>

“B” series share is a voting preference share held by Hungarian State Holding Company presently. Par value of “A” series shares is HUF 1,000, while the par value of “C” series shares is HUF 1,001, but the rights attached to these shares, taking into account the different par value, are identical. Currently all “C” series shares are held by MOL.

According to the Articles of Associations, no shareholder or shareholder group 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. This voting limitation was approved by a general meeting held in 1995 and since that time all of our investors purchased shares knowing this limitation.

R 1.2.8 The company ensures that shareholders must meet the same requirements in order to attend at the general meeting.

<u>Yes (Complies)</u> No (Please explain)

R 1.2.9 Items on the general meeting agenda only include subjects which are correctly detailed and summarized clearly and unambiguously.

<u>Yes (Complies)</u> No (Please explain)

The proposals included the suggestions of the Supervisory Board and a detailed explanation of the effects of the decision.

Yes (Complies) <u>No (Please explain)</u>

The proposals included the explanation of the effects of the decision. Though the Supervisory Board analyses all proposals, which fall within the exclusive scope of authority of the

Company's General Meeting, it submits written report only on the proposal on the annual report and the distribution of the profit after taxation.

R 1.2.10 Shareholders' comments on and supplements to the items on the agenda were published at least two days prior to the general meeting.

Yes (Complies)   No (Please explain)

In 2014, there were no shareholders' comments on the items on the agenda before the AGM, but a resolution proposal to the agenda was received which has been published

R 1.3.8 Comments on the items of the agenda were made available to shareholders simultaneously with registration at the latest.

Yes (Complies)   No (Please explain)

Written comments made on the items on the agenda were published two working days prior to the general meeting.

Yes (Complies)   No (Please explain)

In 2014, there were no shareholders' comments on the items on the agenda before the AGM, but a resolution proposal to the agenda was received which has been published.

R 1.3.10 The election and dismissal of executives took place individually and by separate resolutions.

Yes (Complies)   No (Please explain)

R 2.1.1 The responsibilities of the Managing Body include those laid out in 2.1.1.

Yes (Complies)   No (Please explain)

R 2.3.1 The Managing Body held meetings regularly, at times designated in advance.

Yes (Complies)   No (Please explain)

The Supervisory Board held meetings regularly, at times designated in advance.

Yes (Complies)   No (Please explain)

The rules of procedure of the Managing Body provide for unscheduled meetings and decision-making through electronic communications channels.

Yes (Complies)   No (Please explain)

The rules of procedure of the Supervisory Board provide for unscheduled meetings and decision-making through electronic communications channels.

Yes (Complies)   No (Please explain)

R 2.5.1 The Board of Directors / Supervisory Board of the company has a sufficient number of independent members to ensure the impartiality of the board.

Yes (Complies) No (Please explain)

R 2.5.4 At regular intervals (in connection with the CG Report) the Board of Directors / Supervisory Board requested a confirmation of their independent status from those members considered independent.

Yes (Complies) No (Please explain)

R 2.5.6 The company disclosed on its website the guidelines on the independence of the Board of Directors/ Supervisory Board, as well as the criteria applied for assessing independence.

Yes (Complies) No (Please explain)

R 2.6.1 Members of the Managing Body informed the Managing Body (Supervisory Board/Audit Committee) if they (or any other person in a close relationship to them) had a significant personal stake in a transaction of the company (or the company's subsidiary).

Yes (Complies) No (Please explain)

R 2.6.2 Transactions between board and executive management members (and persons in close relationship to them) and the company (or its subsidiary) were conducted according to general rules of practice of the company, but with stricter transparency rules in place.

Yes (Complies) No (Please explain)

Transactions which according to 2.6.2, fell outside the normal course of the company's business, and their terms and conditions were approved by the Supervisory Board (Audit Committee).

Yes (Complies) No (Please explain)

According to MOL's practice, these transactions are approved by the Board of Directors, with the simultaneous notification to the chairman of the Supervisory Board.

R 2.6.3 Board members informed the Supervisory Board/Audit Committee if they received an offer of Board membership or an offer of an executive management position in a company which is not part of the company group.

Yes (Complies) No (Please explain)

Board members declare at the time of their appointment, if they have Board membership or an executive management position in a company which is not part of the company group. According to the charter of the Board of Directors, a member of the Board of Directors informs the Board of Directors, if he/she receives an offer of Board membership or an offer of an executive management position in a company which is not part of the company group. Chairman of the Supervisory Board participates in Board meetings as permanent invitee.

R 2.6.4 The Managing Body established its guidelines on information flow within the company and the handling of insider information, and monitored compliance with those guidelines.

Yes (Complies) No (Please explain)

The Managing Body established its guidelines regarding insiders' trading in securities and monitored compliance with those guidelines.

Yes (Complies) No (Please explain)

R 2.7.1 The Managing Body formulated remuneration guidelines regarding the evaluation and remuneration of the work of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies) No (Please explain)

The Supervisory Board formed an opinion on the remuneration guidelines.

Yes (Complies) No (Please explain)

The guidelines regarding the remuneration for the Managing Body and the Supervisory Board and the changes in those guidelines were approved by the general meeting, as a separate item on the agenda.

Yes (Complies) No (Please explain)

R 2.7.2 The Managing Body prepared an evaluation of the work it carried out in the given business year.

Yes (Complies) No (Please explain)

R 2.7.2.1 The Supervisory Board prepared an evaluation of the work it carried out in the given business year.

Yes (Complies) No (Please explain)

R 2.7.3 It is the responsibility of the Managing Body to monitor the performance of and determine the remuneration for the executive management.

Yes (Complies) No (Please explain)

The frameworks of benefits due to members of the executive management that do not represent normal practice, and the changes in those benefits were approved by the general meeting as a separate agenda item.

Yes (Complies) No (Please explain)

R 2.7.4 The structure of share-incentive schemes were approved by the general meeting.

Yes (Complies) No (Please explain)

Prior to the decision by the general meeting on share-incentive schemes, shareholders received detailed information (at least according to those contained in 2.7.4).

Yes (Complies) No (Please explain)

R 2.7.7 The Remuneration Statement was prepared by the company and submitted to the general meeting.

Yes (Complies) No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report. It also publishes the cumulated sum of key management compensation as part of the annual financial statements, as well as the remuneration as paid in cash and non-cash for the members of the Board of Directors and Supervisory Board per person, in relation to this position, is published simultaneously with the annual general meeting announcement.

The Remuneration Statement includes information about the remuneration of individual members of the Managing Body, the Supervisory Board, and the executive management.

Yes (Complies) No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report. It also publishes the cumulated sum of key management compensation as part of the annual financial statements, as well as the remuneration as paid in cash and non-cash for the members of the Board of Directors and Supervisory Board per person , in relation to this position, is published simultaneously with the annual general meeting announcement.

R 2.8.1 The Managing Body or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.

Yes (Complies) No (Please explain)

The Managing Body requests information on the efficiency of risk management procedures at regular intervals.

Yes (Complies) No (Please explain)

The Managing Body took the necessary steps to identify the major risk areas.

Yes (Complies) No (Please explain)

R 2.8.3 The Managing Body formulated the principles regarding the system of internal controls.

Yes (Complies) No (Please explain)

The system of internal controls established by the executive management guarantees the management of risks affecting the activities of the company, and the achievement of the company's performance and profit targets.

Yes (Complies) No (Please explain)

R 2.8.4 When developing the system of internal controls, the Managing Body took into consideration the viewpoints included in 2.8.4

Yes (Complies) No (Please explain)

R 2.8.5 It is the duty and responsibility of the executive management to develop and maintain the system of internal controls.

Yes (Complies) No (Please explain)

R 2.8.6 The company created an independent Internal Audit function which reports to the Audit Committee / Supervisory Board.

Yes (Complies) No (Please explain)

The Internal Audit reported at least once to the Audit Committee/ Supervisory Board on the operation of risk management, internal control mechanisms and corporate governance functions.

Yes (Complies) No (Please explain)

R 2.8.7 The internal audit activity is carried out by the Internal Audit function based on authorisation from the Audit Committee / Supervisory Board.

Yes (Complies) No (Please explain)

The Internal Audit reports to the Financial and Risk Management Committee, with the simultaneous notification to the Audit Committee.

As an organisation, the Internal Audit function is independent from the executive management.

Yes (Complies) No (Please explain)

R 2.8.8 The Internal Audit schedule was approved by the Managing Body (Supervisory Board) based on the recommendation of the Audit Committee.

Yes (Complies) No (Please explain)

R 2.8.9 The Managing Body prepared its report for shareholders on the operation of internal controls.

Yes (Complies) No (Please explain)

The Managing Body developed its procedures regarding the receipt, processing of reports on the operation of internal controls, and the preparation of its own report.

Yes (Complies) No (Please explain)

R 2.8.11 The Managing Body identified the most important deficiencies or flow in the system of internal controls, and reviewed and re-evaluated the relevant activities.

Yes (Complies) No (Please explain)

R 2.9.2 The Managing Body, the Supervisory Board and the Audit Committee were notified in all cases when an assignment given to the auditor may have resulted in significant additional expense, caused a conflict of interest, or affected normal business practices significantly in any other way.

Yes (Complies) No (Please explain)

R 2.9.3 The Managing Body informed the Supervisory Board of any assignment given to the external auditor or an external advisor in connection with any event which held significant bearing on the operations of the company.

Yes (Complies) No (Please explain)

The Managing Body pre-determined in a resolution what circumstances constitute "significant bearing".

Yes (Complies) No (Please explain)

R 3.1.6 On its website, the company disclosed duties delegated to the Audit Committee, as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies) No (Please explain)

R 3.1.6.1 On its website, the company disclosed duties delegated to the Nomination Committee, as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies) No (Please explain)

R 3.1.6.2 On its website, the company disclosed duties delegated to the Remuneration Committee, as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies) No (Please explain)

R 3.2.1 The Audit Committee / Supervisory Board monitored the efficiency of risk management, the operation of internal controls, and the activity of the Internal Audit.

Yes (Complies) No (Please explain)

R 3.2.3 The Audit Committee / Supervisory Board received accurate and detailed information on the work schedule of the Internal Auditor and the independent auditor, and received the auditor's report on problems discovered during the audit.

Yes (Complies) No (Please explain)

R 3.2.4 The Audit Committee / Supervisory Board requested the new candidate for the position of auditor to submit the disclosure statement according to 3.2.4

Yes (Complies) No (Please explain)

R 3.3.1 There is a Nomination Committee operating at the company.

Yes (Complies) No (Please explain)

The Corporate Governance and Remuneration Committee manages issues related to the composition of the Board of Directors and the Supervisory Board. Therefore at the following questions on Nomination Committee, MOL makes declaration on the Corporate Governance and Remuneration Committee.

R 3.3.2 The Nomination Committee provided for the preparation of personnel changes.

<u>Yes (Complies)</u> No (Please explain)

The Nomination Committee reviewed the procedures regarding the election and appointment of members of the executive management.

<u>Yes (Complies)</u> No (Please explain)

The Nomination Committee evaluated the activity of board and executive management members.

<u>Yes (Complies)</u> No (Please explain)

The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Managing Body.

<u>Yes (Complies)</u> No (Please explain)

R 3.4.1 There is a Remuneration Committee operating at the company.

<u>Yes (Complies)</u> No (Please explain)

The works of the Remuneration Committee are carried out by the Corporate Governance and Remuneration Committee. Therefore at the following questions on Remuneration Committee, MOL makes declaration on the Corporate Governance and Remuneration Committee.

R 3.4.2 The Remuneration Committee made a proposal for the system of remuneration for the boards and the executive management (individual levels and the structure of remuneration), and carries out its monitoring.

<u>Yes (Complies)</u> No (Please explain)

R 3.4.3 The remuneration of the executive management was approved by the Managing Body based on the recommendation of the Remuneration Committee.

<u>Yes (Complies)</u> No (Please explain)

The remuneration of the Managing Body was approved by the general meeting based on the recommendation of the Remuneration Committee.

<u>Yes (Complies)</u> No (Please explain)

The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.

<u>Yes (Complies)</u> No (Please explain)

R 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines.

Yes (Complies) No (Please explain)

R 3.4.4.1 The Remuneration Committee made proposals regarding the remuneration of individual persons.

Yes (Complies) No (Please explain)

R 3.4.4.2 The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.

Yes (Complies) No (Please explain)

R 3.4.4.3 The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.

Yes (Complies) No (Please explain)

R 3.4.7 The majority of the members of the Remuneration Committee are independent.

Yes (Complies) No (Please explain)

R 3.5.1 The Managing Body disclosed its reasons for combining the Remuneration and Nomination Committees.

Yes (Complies) No (Please explain)

Since 2003, MOL's corporate governance practice has been rated by several international corporate governance rating and advisory firm. None of the rating firms have commented the combination of the remuneration and nomination committee functions.

R 3.5.2 The Managing Body carried out the duties of the Nomination Committee and disclosed its reasons for doing so.

Yes (Complies) No (Please explain)

The duties of the Remuneration and Nomination Committees were carried out by the Corporate Governance and Remuneration Committee.

R 3.5.2.1 The Managing Body carried out the duties of the Remuneration Committee and disclosed its reasons for doing so.

Yes (Complies) No (Please explain)

The duties of the Remuneration and Nomination Committees were carried out by the Corporate Governance and Remuneration Committee.

R 4.1.1 In its disclosure guidelines, the Managing Body established those principles and procedures which ensure that all relevant information about the operations of the company and circumstances influencing its share price are disclosed and made available accurately, in a timely fashion and in full.

Yes (Complies) No (Please explain)

R 4.1.2 The company ensured in its disclosure activities that all shareholders and market participants were treated equally.

Yes (Complies) No (Please explain)

R 4.1.3 The company's disclosure guidelines include the procedures governing electronic, on-line disclosure.

Yes (Complies) No (Please explain)

The company develops its website taking into consideration disclosure guidelines and the provision of information to investors.

Yes (Complies) No (Please explain)

R 4.1.4 The Managing Body assessed the efficiency of disclosure processes.

Yes (Complies) No (Please explain)

R 4.1.5 The company published its corporate events calendar on its website.

Yes (Complies) No (Please explain)

R 4.1.6 In the annual report and on the website of the company, the public was informed about the company's corporate strategy, its main business activities, business ethics and its policies regarding other stakeholders.

Yes (Complies) No (Please explain)

R 4.1.8 In the annual report the Managing Body disclosed the character and size of any other assignments given by the company or its subsidiaries to the auditing firm responsible for auditing the financial statements.

Yes (Complies) No (Please explain)

R 4.1.9 In the annual report and on the website the company discloses information on the professional career of the members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies) No (Please explain)

R 4.1.10 The company provided information on the internal organisation and operation of the Managing Body and the Supervisory Board.

Yes (Complies) No (Please explain)

R 4.1.10.1 The company provided information on the criteria considered when evaluating the work of the Managing Body, the executive management and the individual members thereof.

Yes (Complies) No (Please explain)

The company provided information on the criteria considered when evaluating the work of the Managing Body, the executive management. However, there was no information on the criteria considered when evaluating individual members.

R 4.1.11 In the annual report and in the Remuneration Statement on the company's website, the company informed the public about the applied remuneration guidelines, including the remuneration and fees provided for members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies) No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report. It also publishes the cumulated sum of key management compensation as part of the annual financial statements, as well as the remuneration as paid in cash and non-cash for the members of the Board of Directors and Supervisory Board per person , in relation to this position, is published simultaneously with the annual general meeting announcement.

R 4.1.12 The Managing Body disclosed its risk management guidelines, including the system of internal controls, the applied risk management principles and basic rules, as well as information about major risks.

Yes (Complies) No (Please explain)

R 4.1.13 In order to provide market participants with information, the company publishes its report on corporate governance at the same time that it publishes its annual report.

Yes (Complies) No (Please explain)

R 4.1.14 The company discloses its guidelines governing insiders' trading in the company's securities on its website.

Yes (Complies) No (Please explain)

The company published in the annual report and on its website ownership in the company's securities held by the members of the Managing Body, the Supervisory Board and the executive management, as well as any interests held in share-incentive schemes.

Yes (Complies) No (Please explain)

R 4.1.15 In the annual report and on its website, the company disclosed any relationship between members of the Managing Body and the executive management with a third party, which might have an influence on the operations of the company.

Yes (Complies) No (Please explain)

Level of compliance with the Suggestions

The company should indicate whether the relevant suggestion of the CGR is applied or not (Yes / No)

S 1.1.3 The company has an investor relations department.

<u>Yes</u> No

S 1.2.1 The company published on its website the summary document regarding the conducting of the general meeting and the exercise of shareholders' rights to vote (including voting via proxy)

<u>Yes</u> No

S 1.2.2 The company's articles of association are available on the company's website.

<u>Yes</u> No

S 1.2.3 The company disclosed on its website information according to 1.2.3 (on the record date of corporate events).

<u>Yes</u> No

S 1.2.4 Information and documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website.

<u>Yes</u> No

S 1.2.5 The general meeting of the company was held in a way that ensured the greatest possible shareholder participation.

<u>Yes</u> No

S 1.2.6 Additions to the agenda were published within 5 days of receipt, in the same manner as the publication of the original invitation for the general meeting.

<u>Yes</u> No

In 2014, there were no shareholders’ comments on the items on the agenda before the AGM, but a resolution proposal to the agenda was received which has been published

S 1.2.7 The voting procedure applied by the company ensured unambiguous, clear and fast decision making by shareholders.

<u>Yes</u> No

S 1.2.11 At the shareholders' request, the company also provided information on the general meeting electronically.

<u>Yes</u> No

S 1.3.1 The identity of the chairman of the general meeting was approved by the company's general meeting prior to the discussion of the items on the agenda.

<u>Yes</u> No

S 1.3.2 The Managing Body and the Supervisory Board were represented at the general meeting.

<u>Yes</u> No

S 1.3.3 The company's articles of association render possible that at the initiation of the chairman of the Managing Body or the shareholders of the company, a third party be invited to the company's general meeting and be granted the right of participation in the discussion of the relevant items on the agenda.

<u>Yes</u> No

S 1.3.4 The company did not prevent shareholders attending the general meeting from exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so.

<u>Yes</u> No

The company has not made any further requirements above those set by the law.

S 1.3.5 The company published on its website within three days its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer it published its reasons for doing so.

<u>Yes</u> No

S 1.3.6 The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with.

<u>Yes</u> No

S 1.3.7 The company published a press release and held a press conference on the decisions passed at the general meeting.

<u>Yes</u> No

S 1.3.11 The company's general meeting decided on the different amendments of the articles of association in separate resolutions.

<u>Yes</u> No

S 1.3.12 The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions were published by the company within 30 days of the general meeting.

<u>Yes</u> No

S 1.4.1 The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.

Yes No

The dividend was 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.

S 1.4.2 The company disclosed its policy regarding anti-takeover devices.

Yes No

S 2.1.2 The rules of procedure define the composition of the Managing Body and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.

Yes No

S 2.2.1 The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed.

Yes No

S 2.3.2 Board members had access to the proposals of a given meeting at least five days prior to the board meeting.

Yes No

S 2.3.3 The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the boards.

Yes No

S 2.4.1 The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.

Yes No

S 2.4.2 The composition of boards and the number of members complies with the principles specified in 2.4.2

Yes No

S 2.4.3 Newly elected, non-executive board members were able to familiarize themselves with the structure and operations of the company, as well as their duties as board members through a tailored induction programme.

Yes No

S 2.5.2 The separation of the responsibilities of the Chairman of the Managing Body from those of the Chief Executive Officer has been outlined in the basic documents of the company.

<u>Yes</u> No

S 2.5.3 The company has published a statement about the means it uses to ensure that the Managing Body gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.

Yes <u>No</u>

S 2.5.5 The company's Supervisory Board has no member who held a position in the Managing Body or the executive management of the company in the three years prior to his nomination.

Yes <u>No</u>

S 2.7.5 The development of the remuneration system of the Managing Body, the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.

<u>Yes</u> No

S 2.7.6 In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price.

<u>Yes</u> No

S 2.8.2 The Managing Body developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations.

<u>Yes</u> No

S 2.8.10 When evaluating the system of internal controls, the Managing Body took into consideration the aspects mentioned in 2.8.10

<u>Yes</u> No

S 2.8.12 The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the executive management, and submitted its report on the matter to the Audit Committee / Supervisory Board.

Yes <u>No</u>

The company’s auditor receives regular information on the risk management system and the risk management operations, and it can follow and monitor these activities. During the audit process the audit reviews and analyses the risk management system and the efficiency of the risk management operations for its own purposes, but it does no issue a report on such audits to any external party (e.g. Audit Committee).

S 2.9.1 The rules of procedure of the Managing Body cover the procedure to be followed when employing an external advisor.

<u>Yes</u> No

S 2.9.1.1 The rules of procedure of the Supervisory Board cover the procedure to be followed when employing an external advisor.

<u>Yes</u> No

S 2.9.1.2 The rules of procedure of the Audit Committee cover the procedure to be followed when employing an external advisor.

Yes <u>No</u>

Audit Committee *did not employ and external auditor in 2014.*

S 2.9.1.3 The rules of procedure of the Nomination Committee cover the procedure to be followed when employing an external advisor.

Yes <u>No</u>

Corporate Governance and Remuneration Committee did not employ and external auditor in 2014.

S 2.9.1.4 The rules of procedure of the Remuneration Committee cover the procedure to be followed when employing an external advisor.

Yes <u>No</u>

Corporate Governance and Remuneration Committee did not employ and external auditor in 2014.

S 2.9.4 The Managing Body may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.

<u>Yes</u> No

S 2.9.5 The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.

<u>Yes</u> No

S 3.1.2 The chairmen of the Audit Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

<u>Yes</u> No

Audit Committee regularly inform the Board of Directors on the above mentioned subject.

S 3.1.2.1 The chairmen of the Nomination Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

<u>Yes</u> No

Corporate Governance and Remuneration Committee regularly informs the Board of Directors on the above mentioned subject.

S 3.1.2.2 The chairmen of the Remuneration Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

<u>Yes</u> No

Corporate Governance and Remuneration Committee regularly informs the Board of Directors on the above mentioned subject.

S 3.1.4 The company's committees are made up of members who have the capabilities, professional expertise and experience required to perform their duties.

<u>Yes</u> No

S 3.1.5 The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5

<u>Yes</u> No

S 3.2.2 The members of the Audit Committee / Supervisory Board were fully informed about the accounting, financial and operational peculiarities of the company.

<u>Yes</u> No

S 3.3.3 The Nomination Committee prepared at least one evaluation for the chairman of the Managing Body on the operation of the Managing Body and the work and suitability of the members of the Managing Body.

Yes <u>No</u>

There was a self-evaluation on the operation and suitability of the Board of Directors 2014.

S 3.3.4 The majority of the members of the Nomination Committee are independent.

<u>Yes</u> No

S 3.3.5 The rules of procedure of the Nomination Committee includes those details contained in 3.3.5.

Yes <u>No</u>

S 3.4.5 The Remuneration Committee prepared the Remuneration Statement.

Yes <u>No</u>

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report. It also publishes the cumulated sum of key management compensation as part of the annual financial statements, as well as the remuneration as paid in cash and non-cash *for the members of the Board of Directors and Supervisory Board per person, in relation to this position, is published simultaneously with the annual general meeting announcement.*

S 3.4.6 The Remuneration Committee exclusively consists of non-executive members of the Managing Body.

Yes No

S 4.1.4 The disclosure guidelines of the company at least extend to those details contained in 4.1.4

Yes No

The Managing Body informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.

Yes No

S 4.1.7 The company's financial reports followed IFRS guidelines.

Yes No

S 4.1.16 The company also prepares and releases its disclosures in English.

Yes No

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 in the previous business year and pass a resolution on the waiver (discharge) that may be granted to the Board of Directors.

In compliance with Section 3:117 (1) of the Civil Code by granting a waiver the General Meeting acknowledges the Board of Directors' management activities during the previous financial year and the Company may 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, we propose to the General Meeting to approve the work of the Board of Directors performed in the 2014 business year and provide waiver for the Board of Directors and for the members of the Board of Directors under Article 12.12. of the Articles of Association.

Proposed resolution

The Board of Directors proposes to the General Meeting – under Article 12.12 of the Articles of Association – to approve the work of Board of Directors performed in the 2014 business year and grant waiver to the Board of Directors and its members under Article 12.12 of the Articles of Association.

AGENDA ITEM No. 3

Election of the statutory auditor for the 2015 financial year and determination of its remuneration as well as the material elements of its engagement

The Supervisory Board, with the support of the Audit Committee, after evaluating Ernst & Young in respect of its 2014 performance and its binding offer for the 2015 audit tasks, proposes further cooperation with Ernst & Young in 2015.

Proposed resolution

The Supervisory Board, with the support of the Audit Committee proposes to the Annual General Meeting the election of Ernst & Young Könyvvizsgáló Kft. (1132 Budapest, Váci út 20.) to be the independent auditor of MOL Plc. for the year 2015, until the AGM closing the year and at the latest 30 April 2016. The Supervisory Board, with the support of the Audit Committee proposes the audit fee for auditing MOL Plc. in 2015 to be HUF 75.8 million plus VAT.

Auditor personally responsible appointed by Ernst & Young Könyvvizsgáló Kft. is Zsuzsanna Bartha (registration number: MKVK-005268), in case of her hindrance substituted by István Havas (registration number: MKVK-003395).

In addition to the abovementioned, the material elements of the contract with the auditor are as follows:

- Scope:

  Audit of the statutory financial statements of MOL Plc. prepared for the year 2015 in accordance with Law C of 2000 on accounting and the audit of the consolidated financial statements of MOL Group prepared for the year 2015 in accordance with the International Financial Reporting Standards (IFRS).

- Billing and settlement:

  In 12 equal monthly installments, invoices are submitted by the 5th day of the following month and MOL Plc. is obliged to settle them in 30 days.

- Term of the contract:

  From 17 April 2015 until the Annual General Meeting closing the year 2015 and at the latest 30 April 2016.

- In any other questions the general terms and conditions relating to audit agreements of Ernst & Young Könyvvizsgáló Kft. shall apply.

AGENDA ITEM No. 4

The Board of Directors' presentation regarding the acquisition of treasury shares following the ordinary Annual General Meeting of 2014 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 2014 in accordance with Section 3:223 (4) of the Civil Code

The resolution No 8. of the Annual General Meeting held on 24 April 2014 granted authorization valid for 18 months to the Board of Directors of the Company to acquire treasury shares.

On April 24, 2014 MOL Plc. ("MOL") owned 2,484,346 pieces of "A" Series and 578 pieces of "C" Series MOL Ordinary shares.

Between April 24, 2014 and April 16, 2015 the acquisitions of treasury shares took place as follows:

- On 23 May 2014 the individual share lending agreement concluded with OTP Bank Plc. ("OTP"), under the effective share lending framework agreement, regarding 371,301 pieces of "A" series MOL shares (aggregate nominal value HUF 371,301,000) was terminated and the shares were credited on MOL's securities account. The termination of the individual share lending agreement based on the grounds of the provisions of the share lending framework agreement. The ratio of the acquired shares compared to the share capital was 0,36 %.

- On June 2, 2014, 371,301 pieces of "A" series MOL shares was lent to OTP under the individual share lending agreement concluded with OTP on the bases of the effective share lending framework agreement.

- On 4 September 2014 the individual share lending agreement concluded with OTP, under the effective share lending framework agreement, regarding 371,301 pieces of "A" series MOL shares (aggregate nominal value HUF 371,301,000) was terminated and the shares were credited on MOL's securities account. Reason of the termination of share lending was that MOL provided this amount of shares to the establishment of MOL Investment Ltd. as non-cash contribution also. The ratio of the acquired shares compared to the share capital was 0,36 %.

- On 4 September 2014 MOL provided 2,842,147 pieces of „A" series (aggregate nominal value HUF 2,842,147,000) and 578 pieces of „C" series (aggregate nominal value HUF 578,578) MOL ordinary shares owned by MOL as non-cash contribution to the establishment of a wholly owned subsidiary, MOL Investment Ltd, on an average price of the shares during 90 BÉT trading days prior to the date of signing of the articles of association of MOL Investment Ltd., ie. 12,338 HUF/share. The transaction did not change the legal status of the treasury shares, they continue to qualify as treasury shares. The ratio of the contributed shares compared to the share capital is: "A" series shares: 2,72 %, "C" series shares: 0,001 %.

Today MOL directly and indirectly owns 1,542,147 „A" series and 578 „C" series MOL ordinary shares.

Proposed resolution

The Board of Directors proposes to the General Meeting to acknowledge the Board of Directors' presentation regarding the acquisition of treasury shares following the ordinary Annual General Meeting of 2014 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 Annual General Meeting of the Company held on 24 April 2014 for the Board of Directors to acquire treasury shares will expire at the end of October 2015. 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 2016.

The Board of Directors of MOL would like to maintain the authorization for further share acquisitions in order for the Company:

- to 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 be able to implement or amend share-based or hybrid financing instruments and other investment structures.

Proposed resolution

The Board of Directors proposes to the General Meeting to authorize the Board of Directors of the Company to acquire treasury shares – simultaneously setting aside the resolution No 8 of the 24 April 2014 AGM – 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 of 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 on the Annual 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 the shares on the Budapest Stock Exchange (”BÉT”) on the date of the transaction or

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

c.) the volume-weighted average price of the 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 the 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. 5

Election of member of the Board of Directors

The mandate of Mr. Zsigmond Járai as member of the Board of Directors will expire on 28 April 2015. With respect to the above, the Board of Directors proposes to the Annual General Meeting to re-elect Mr. Zsigmond Járai as a member of the Board of Directors of the Company from 29 April 2015 to 28 April 2020.

(Mr. Zsigmond Járai's CV can be found following the Proposed resolution.)

Proposed resolution

The Board of Directors proposes to the General Meeting to elect Mr. Zsigmond Járai to be a member of the Board of Directors from 29 April 2015 to 28 April 2020.

CURRICULUM VITAE

Zsigmond Járai

MOL Group positions:
– Member of the Board of Directors since 29 April 2010
– Member of the Finance and Risk Management Committee since 4 June 2010 and Chairman since 30 May 2014

Mr. Járai has been working as financial expert since 1976. He has field various managerial positions in a Commercial Banks both in Hungary and abroad. He was serving as Chairman of Budapest Stock Exchange in 1996-1998. Between 1998 and 2000 he held the position of the Minister of Finance, and subsequently became the Chairman of the National Bank of Hungary from 2001 until 2007. As the founder of CIG Pannonia Life Insurance Ltd in 2007, he was the Chairman of the Supervisory Board between 2007 and 2010. Between 2010 and 2014, he was also the Chairman of the Supervisory Board of the National Bank of Hungary.

The mandate of Dr László Parragh as member of the Board of Directors will expire on 28 April 2015. With respect to the above, the Board of Directors proposes to the Annual General Meeting to re-elect Dr László Parragh as a member of the Board of Directors of the Company from 29 April 2015 to 28 April 2020.

*(*Dr László Parragh*'s CV can be found following the Proposed resolution.)*

Proposed resolution

The Board of Directors proposes to the General Meeting to elect Dr László Parragh to be a member of the Board of Directors from 29 April 2015 to 28 April 2020.

CURRICULUM VITAE

Dr László Parragh

MOL Group positions:
– Member of the Board of Directors since 29 April 2010
– Member of the Finance and Risk Management Committee since 20 February 2014
– Member of the Sustainable Development Committee since 4 June 2010 and Chairman since 30 May 2014

Since 1989, Dr. László Parragh has been the Chairman of Parragh Trade and Holding Ltd and since 1993, he has also been a member of the Presidium of the Confederation of Hungarian Employers and Industrialists (MGYOSZ), and was Vice President between 1994 and 2000. He was Member of the Advisory Committee for Economic Affairs of the Prime Minister between 1998 and 2002 and since 2000. Dr. Parragh has also been President of the Hungarian Chamber of Commerce and Industry. Between 2003 and 2010 he was Vice President of GYSEV Plc and since 2009, he has been Chairman of KAVOSZ Venture Development Plc. Between 2003 to 2011, he was Chairman of the Economic and Social Council and since 2011 he has been Chairman of the National Economic and Social Council. Between 2002 and 2010 he was a member of the Board of Directors at MEHIB Ltd, at EXIM Bank Plc and at GYESEV Plc. Between 2010 to 2011 he was a member of the Board of Directors of MALEV. Since 2003 he has been Chairman of the Supervisory Board of KA-VOSZ Financial Services Trading Close Co. He has been member of the State Reform Committee and member of the Board of Directors of MKB since 2014. He is Honorary Professor of the University of West Hungary and the Budapest Business School, where he is also a member of the Economic Council. He is President of the National Economic and Social Council's Economic side.

The mandate of Dr Martin Roman as member of the Board of Directors will expire on 28 April 2015. With respect to the above, the Board of Directors proposes to the Annual General Meeting to re-elect Dr Martin Roman as a member of the Board of Directors of the Company from 29 April 2015 to 28 April 2020.

*(*Dr Martin Roman*'s CV can be found following the Proposed resolution.)*

Proposed resolution

The Board of Directors proposes to the General Meeting to elect Dr Martin Roman to be a member of the Board of Directors from 29 April 2015 to 28 April 2020.

CURRICULUM VITAE

Dr Martin Roman

MOL Group positions:
– Member of the Board of Directors since 29 April 2010
– Member of the Corporate Governance and Remuneration Committee since 4 June 2010

Martin Roman started his professional career as a sales director of the Czech branch of Wolf Bergstrasse. In 1994 he became CEO of Janka Radotín, where he was appointed Chairman of the Board after the entry of a strategic partner, the US Company LENNOX. Between 2000 and 2004 he restructured a traditional Czech mechanical engineering company, becoming Chairman and Chief Executive Officer of the new ŠKODA HOLDING. From February 2004 until mid-September 2011, Mr. Roman was the Chairman of the Board and CEO of ČEZ. From mid-September 2011 until October 2013 Mr. Roman was Chairman of the Supervisory Board of ČEZ. Besides his board membership of MOL, Mr. Roman is also a member of the Supervisory Board of the Prague Stock Exchange; (he served as a member of the Supervisory Board of Czech Railways between 2007 and 2009 and as Vice President of the Confederation of Industry and Transport of the Czech Republic from 2007 to 2011). From 2010 until May 2014 he was a member of the Supervisory Board of the Vienna Insurance Group. In addition, Mr. Roman is a member of governing or supervisory bodies in several foundations and academic institutions. He is a Czech citizen.

AGENDA ITEM No. 7

Amendment of the remuneration and the incentive scheme, respectively, of the members of the Board of Directors

The Supervisory Board has reviewed the incentive system of the members of the Board of Directors which consists of an annual remuneration and incentive scheme based on share allowance.

In the framework of the annual remuneration approved by Resolution No 14 of the Annual General Meeting of 23 April 2008, the members of the Board of Directors receive net EUR 25.000 a year, while the chairmen of the subcommittees of the Board of Directors receive net EUR 31.250 a year.

A Board member who is a citizen of a country other than the Republic of Hungary and who is ordinarily resident outside of Hungary and needs to travel to Hungary to attend such meetings will receive up to maximum EUR 1,500 (gross) 15 times per annum for each meeting of the Board or a committee of the Board attended.

The other element is an incentive scheme based on a share allowance approved by the Resolution No 13 of the Annual General Meeting of 26 April 2012, with a related retention obligation (restraint on alienation) for ensuring the interest in the long-term exchange growth and of the maintenance of the incentive in addition to the dividend payment.

Within this incentive scheme, the members of the Board of Directors currently receive 100 pieces of „A” series of ordinary shares per month, while the chairman of the Board of Directors receives additional 25 pieces of „A” series of ordinary shares per month; if the Chairman is not a non-executive director, the deputy chairman (who is a non-executive) is entitled to this remuneration (25 pieces/month). The share allowance is provided once a year within 30 days after the Annual General Meeting closing the relevant financial year. There is no restraint on alienation regarding one third of the shares while one year retention obligation concerns the two third of the shares. At the date of the expiration of the mandate the retention obligation terminates.

The incentive is a net incentive considering the members of the Board of Directors 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.

The Supervisory Board has reviewed the total remuneration package of the members of the Board of Directors and, as MOL follows a competitive remuneration strategy on the international and European market, and as the responsibilities of the members of the Board of Directors has become stricter due the changes in the Hungarian legislative environment (entry into force of the new Civil Code on 15 March 2014), the Supervisory Board proposes to adjust the remuneration scheme of the Board of Directors respectively.

Proposed resolution

The Supervisory Board proposes to the Annual General Meeting that the members of the Board of Directors receive net incentive – i.e. reduced by the taxes and contributions stipulated in the current laws – as of 1 January 2015 as it follows:

a. the Members of the Board of Directors: 150 pieces of „A" series of ordinary shares per month
b. the Chairman of the Board of Directors: additional 50 pieces of „A" series of ordinary shares per month

If the Chairman is not a non-executive director, the deputy chairman (who is a non-executive) is entitled to this remuneration (50 pieces/month).

The other conditions of the Resolution No 13 of the Annual General Meeting of 26 April 2012 regarding the incentive scheme based on share allowance shall remain in force.

The annual remuneration for the members of the Board of Directors approved by the Resolution No 14 of the Annual General Meeting of 23 April 2008 will not change.

AGENDA ITEM No. 8

Amendment of the remuneration of the members of the Supervisory Board

The remuneration of the Supervisory Board was approved last time by the Resolution No 13 of the Annual General Meeting of 27 April 2005. According to this resolution, the Chairman of the Supervisory Board is eligible to an amount of gross EUR 4000/month and the members to an amount of gross EUR 3000/month. Furthermore, in addition to the monthly remuneration, the chairman and members of the Supervisory Board receive a remuneration of gross EUR 1500 additionally for all extraordinary meetings of the Supervisory Board that they attend and were not included in the original annual agenda of the Supervisory Board. The Chairman of the Supervisory Board in addition to the aforementioned is eligible for a further gross EUR 1500 for each Board of Directors or Committee session that he attends, up to a maximum of 15 times a year, while the Chairman of the Audit Committee, based on the Resolution No 22 of the Annual General Meeting of 26 April 2012, is eligible for a further gross EUR 1500 for each Board of Directors or Committee session that he attends, up to a maximum of 15 times a year from 1 January 2012.

Since the remuneration reflecting the grown responsibility of the Supervisory Board members has not considerably followed the increased size and the profitability of MOL Group, the Board of Directors – in line with the international practice of supervisory board remuneration – proposes to the Annual General Meeting to increase the remuneration of the Supervisory Board.

Proposed resolution

The Board of Directors proposes to the Annual General Meeting to set the remuneration of the Chairman of the Supervisory Board at an amount of gross EUR 6000/month and the remuneration of the members at an amount of gross EUR 4000/month starting from May 1, 2015. Other elements of the remuneration scheme will not change.