Consistency of OTP Bank Plc.'s Remuneration Policies with the Integration of Sustainability Risks

Article 5(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (hereinafter: SFDR) states that financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites. The present document ensures compliance with the obligation imposed by the SFDR detailed above.

Sustainability risk, according to Article 2 (22) of the SFDR, means "*an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment*".

OTP Bank Plc. acts consciously with regard to sustainability risks in all cases. In designing the incentive system, the enforcement of sustainability considerations already plays a key role at the level of the Banking Group's Remuneration Policy governing senior management. In the case of the Chairman of the Board and Chief Executive Officer, environmental and social responsibility (ESG-CSR), as well as responsible corporate governance and risk culture indicators, jointly represent a weight of at least 20%, while in the case of Deputy Chief Executive Officers, they jointly represent a weight of at least 15% among the objectives serving as the basis for the payment of performance-based remuneration. These criteria include compliance with sustainability considerations and, in the case of business areas, are supplemented by the aspect of responsible customer acceptance decisions.

In the context of investment activities, the objectives for the two relevant areas of expertise of the Global Markets Directorate have been designed to take sustainability considerations into account. These two areas are responsible for portfolio management and for the selection of products sold within the framework of investment advisory services, as well as for the development of model portfolios. Compliance with the Bank's sustainability risk management policy has been incorporated into the incentives of the area responsible for portfolio management, while in respect of the area responsible for supporting investment advisory services, sustainability considerations have been integrated into the process of selecting recommended investment products and developing model portfolios, including the development of portfolio offerings that are aligned with ESG trends and regulatory expectations in support of domestic private banking services.

Moreover, OTP Bank Plc. places the interests of customers at the forefront when incentivising employees involved in the retail sale of investment services and insurance products. Accordingly, the incentives related to sales are product-neutral within each

product category and special attention is given to meeting customer needs. Therefore, when selling investment and insurance products, remuneration policies always encourage the sale of products that meet the needs of the customer concerned.