



Proposals of the Board of Directors of PannErgy

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**Proposal to the ordinary General Meeting
relating to Agenda Item 1 "Report of the Board of Directors on the Company's operations in
the business year of 2016 – the management, the Company's asset standing and business
policy", as well as Agenda Item 2, 3, 4**

Substantial elements of the report of the Board of Directors in connection with Agenda Item 1–4 of the General Meeting:

In the business year of 2016, as a holding company for asset-management PannErgy Plc continued to act via its subsidiaries to implement its strategy formerly announced primarily for the utilization of geothermal energies. As a result, the subsidiaries operated the existing facilities at an increasingly steady technical standard, utilized the available geothermal resources, and at the same time managed the investments in progress. Opened late in 2015, the Geothermal Project of Győr was operated throughout 2016, and consequently PannErgy became the strategic energy supplier of two significant and quality customers: Győr-Szol Ltd, the district heat supplier of the Municipality of Győr and AUDI Hungaria Motor Ltd.

The Company is still in search of opportunities to exploit its currently available energy capacities for secondary heat utilization to the largest possible extent. To this end, the marketing of secondary heat has already been started and grown in Miskolc, though in rather small quantities in comparison with the primary heat volumes. In Győr, it is primarily the business operators located along PannErgy's heat transmission lines that the Company wants to connect to its supply line system. The Company was awarded concession for the exploration and utilization of geothermal resources lying under 2500 meters in the surroundings of Győr.

Having accomplished its objectives set for 2016, PannErgy Group closed a determining year towards the realization of its geothermal energy production and utilization strategy. Heat sales exceeded the annual volume of 1400 TJ, and as a result its consolidated sales revenues grew beyond HUF 4.5 billion. Similarly, the Company had no reason to complain about the achieved EBITDA level, because the projected HUF 1.8 billion profit watermark was reached in spite of the problems faced during the initial phase of operating the Geothermal Project of Győr and the sometimes unfavourable weather conditions. For the calculation of this EBITDA, non-recurrent items in a total net worth of HUF 85 million – remaining under the amount of the previous years – were not taken into account. After such screening of the non-recurrent items that affected the consolidated profit after taxes, the profit for 2016 would still remain on the positive side.

The external funding of the Group was steady. The Company could remarkably improve the conditions of some of its bank loans, primarily by renegotiating interest conditions and refinancing certain loans.

At the end of the intense investment period targeting the development of new projects, PannErgy Plc started to buy out the 6.91% stake of ONP Holdings SE, i.e. the minority shareholder of its geothermal holding company, PEGE Ltd, which is foreseen to be closed in the first half of 2017.

In line with the earlier resolution of the annual ordinary General Meeting, the Company was running a treasury share repurchasing program, and consequently the year-end portfolio increased to 3,228,438 shares, equaling to 15.33% of all the issued shares.

During 2016, PannErgy Plc's share price increased by 25%, from HUF 358 to HUF 448.

In conformance to the changes in capital market regulations in 2016, following the report in relation to the first half of 2016 the Company did not publish interim management reports, but quarterly



production reports pertaining to its geothermal projects in view of the transparency requirements prevailing in the capital market.

Concerning the results of the work of the Board of Directors, as well as the operation of PannErgy Plc and PannErgy Group, the Company prepared and published reports in conformance to the Hungarian accounting regulations, as well as IFRS-based consolidated reports, including business and management reports; moreover, in the associated period they released a number of public disclosures that were essential to judge and evaluate the Group's performance and the activities of the Board of Directors.

IFRS-based consolidated net profit in the year under review was HUF 150,999,000 loss with the balance sheet total being HUF 25,255,201,000.

The profit according to the balance sheet under the Hungarian accounting regulations was HUF 10.491.000 profit with the balance sheet total being HUF 13.695.458.000.

The Company publishes extraordinary and other information in view of material issues concerning the shareholders, and such disclosures can be accessed on the website of the Company and Budapest Stock Exchange.

The Audit Committee operated at the Company has reviewed the Company's statements and the auditor's reports, as well as the financial reporting processes existing at the Company, and judged them to be acceptable.

With respect to the expected investment demand of the expansion and further development of the existing geothermal projects, the cash and modern equivalent asset level required for safe operations, and consequently the sustenance of the high-level financial and operating stability, no dividend payment has been proposed.

This announcement is published in Hungarian and English languages. In case of any contradiction between these two versions, the Hungarian version shall prevail.

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PannErgy
Public Company Limited by Shares

Corporate Governance Report
In compliance with the Corporate Governance Recommendations of the
Budapest Stock Exchange

PannErgy Plc's Board of Directors

This announcement is published in Hungarian and English languages. In case of any contradiction between these two versions, the Hungarian version shall prevail.

In its operations, PannErgy Plc strives for observing the relevant legal regulations, requirements of the MNB (Hungarian National Bank) (formerly Hungarian Financial Supervisory Authority (HFSA)) and the provisions of the regulations of the Budapest Stock Exchange (BÉT). The Company's structure and the conditions of operations are included in the Articles of Corporation approved by the General Meeting.

PannErgy Plc hereby discloses the following information in relation to issues of corporate governance:

Board of Directors

Instead of a Managing Body and Supervisory Board, the Company operates a Board of Directors for the implementation of standardized management, performing the tasks of the Managing Body and Supervisory Board required by law. Within the scope of the tasks assigned to the Managing Body, the Board of Directors determines the strategic guidelines of the Company, and supervises the operation of the Company.

Currently the Board of Directors consists of eight natural persons as members, and they are elected by the General Meeting for a perpetual term. The Chairman of the Board of Directors is elected by and from among the Members of the Board of Directors. The Member of the Board of Directors bearing the title of Chief Executive Officer is elected by and from among the Members of the Board of Directors.

The decisions of the Board of Directors are made by simple majority vote, and this body is deemed to form a quorum, if the majority of its Members from time to time are present. In the case of any tie vote, the vote of the Chairman of the Board of Directors decides.

The Board of Directors establishes its own rules of procedures, detailing the tasks belonging to its own scope of competence, as well as its own order of operations.

The Board of Directors is obliged to report to the General Meeting on the Company's management, asset position and business policy at the least annually.

The Board of Directors controls the Company directly; it is responsible for attending the business tasks, and the execution of the resolutions and decisions of the Board of Directors. The employer's rights over the employees of the Company are exercised by the acting Chief Executive Officer.

The aim of the Management Share Option Program in effect at the Company has the purpose to reinforce the interests some of the Members of the Board of Directors of the Company further in the improvement of the Company's profitability and enhancement of the shareholder value.

The Members of the Board of Directors are:

Balázs Bokorovics, Chairman –independent

Dénes Gyimóthy, Member – not independent

Katalin Gyimóthy, Member- not independent

Attila Juhász, Member – independent

Marianna Lilla Martonfalvay Member - independent

István Töröcskei, Member - independent

Gábor Briglovics, Member – independent

Csaba Major, Member – independent

The Member of the Board of Directors bearing the title of Management:

Dénes Gyimóthy – acting Chief Executive

The Board of Directors held 7 meetings in 2016 with an average attendance rate of 83.92%, and made written resolutions without holding a meeting on several occasions.

Audit Committee

The General Meeting of the Company elected a three-member Audit Committee from the independent Members of the Board of Directors to execute its tasks, make well-grounded decisions.

The scope of competence of the Audit Committee covers the formulation of opinion on the reports prepared in conformance with the Accounting Act, evaluation of the operation of the financial reporting system, making of proposals in the person of the Auditor and its remuneration, preparation of the contract to be made with the Auditor, as well as the performance of tasks concerning cooperation with the Auditor.

The rules of operations and decision-making are determined by the Audit Committee itself.

The following persons are the Members of the Audit Committee:

Attila Juhász, Chairman

István Töröcskei, Member

Gábor Briglovics, Member

The Audit Committee held 1 meeting in 2016 with an attendance rate of 100%.

Other committees

There is no nominations committee and remuneration committee operating at the Company. These functions are fulfilled by Members of the Board of Directors.

Auditor

The Auditor of the Company is elected by the General Meeting for a term of 1 year.

Auditor of the Company: UNION-Audit Könyvvizsgáló és Tanácsadó Kft.

The Audit Committee makes a written proposal on the person to act as the Auditor, and this proposal is put forward by the Presiding Chairman of the General Meeting electing the Auditor. If the person proposed by the Audit Committee is not elected to act as the Auditor by the General Meeting, the Audit Committee is required to place another proposal concerning the person for the position of the Auditor.

The tasks of the Auditor include the auditing of the business books of the Company, preparation of reports in connection with the review of the reports of the Company prepared in conformance with the Accounting Act to the General Meeting, as well as the proposals of the Board of Directors concerning the allocation of profit and the establishment of dividends, as well as the exercise of other rights and powers set forth in the relevant legal regulations and performance of tasks.

In 2016, the Auditor was not involved in any financial activity at the Company that was not connected with auditing.

The Company's policy in relation to the publication of announcements

In its policy for the publication of announcements, the Company acts in compliance with the effective legal regulations and the relevant rules of the stock exchange. It publishes its announcement via its own website and the website of the Budapest Stock Exchange, as well as the website specified by the MNB. The publication of the announcements at the Company's website (www.pannergy.com) fulfills all the other disclosure obligations in cases when the relevant legal regulations and other requirements make the same possible.

The Company's policy in relation to insider trading

The Company acts in compliance with the effective legal regulations and the relevant rules of the stock exchange in connection with insider trading. The Company has proper regulations for policies concerning insider trading, and keeps records of insider persons.

Exercising shareholder rights, attendance at the General Meeting

The registered capital of the Company consists of 21,054,655 dematerialized, registered equity shares with an individual face value of HUF 20 (twenty), and each of them granting identical membership rights; these shares make up a single share series.

At General Meetings, one equity share entitles its holder to cast one vote.

Under the commission of the Company's Board of Directors, the body authorized to keep the shareholders' ledger in conformance with the applicable laws keeps the Shareholders' Ledger on the shareholders and the authorized representatives of the shareholders.

Such persons may exercise shareholding rights in connection with the Company whose names are included in the shareholders' ledger. The authorized representative shall exercise shareholding rights following their becoming recorded in the Shareholders' Ledger as the authorized representatives of the respective shareholders.

The rules of procedures for the identification of shareholders initiated in connection with the closing of the shareholders' ledger prior to any General Meeting are included in the effective regulations of the Central Clearing House and Depository (Budapest) (KELER).

The supreme body of the Company is the General Meeting consisting of all the shareholders.

The Annual Ordinary General Meeting shall be held once a year on the date set forth in the relevant legal regulations. The agenda of the Annual Ordinary General Meeting always includes the following items:

- report of the Board of Directors on the activities performed by the Company in the previous year;
- report of the Board of Directors in conformance with the Accounting Act and its proposal concerning the allocation of profit and the establishment of dividends;
- report of the Board of Directors and the Auditor on the reports prepared in conformance with the Accounting Act, and its opinion on the proposal of the Board of Directors concerning the allocation of profit and the establishment of dividends;
- discussion of the report prepared in conformance with the Accounting Act, establishment of the balance sheet, and the making of decisions in connection with the allocation of the profit and the establishment of dividends;
- establishment of the remunerations to be paid to the Members of the Board of Directors and the Auditor;
- approval of the corporate governance report to be submitted to the Budapest Stock Exchange;
- making of decisions on the evaluation of the work performed by the Members of the Board of Directors in the previous business year, as well as the discharge be granted to them.

The Board of Directors may summon an Extraordinary General Meeting if it is deemed to be necessary with respect to the operation of the Company.

The Board of Directors summons an Extraordinary General Meeting if the former General Meeting has resolved so, or in case the Auditor or the shareholders representing at least 5%

of the votes – in this latter case with the proper specification of the related causes and aims – have requested it from the Board of Directors in writing.

The invitation to the General Meeting is published by the Board of Directors thirty at least (30) days prior to the date of the planned General Meeting in the manner prescribed in the Articles of Corporation of the Company in association with the publication of the announcements of the Company.

All such invitations to the General Meetings and related announcements specify the name and business seat of the Company, the venue, time and date of the General Meeting, the agenda of the General Meeting, as well as the conditions stipulated in the Articles of Corporation of the Company in relation to the way of exercising voting rights, requesting information and supplementing the agenda of the General Meeting and furthermore the time and date of the repeated General Meeting if the original General Meeting does not form a quorum.

The General Meeting may decide on issues not included in the published agenda only if all the shareholders are present, and give their unanimous consent thereto.

Shareholders representing at least one percent (1%) of the votes may – with the proper specification of the related causes and aims – request the Board of Directors in writing to include any issue in the agenda of the General Meeting, as well as they may submit resolution proposals concerning the agenda items.

Shareholders representing at least 1% of the votes may exercise their above-mentioned right within eight (8) days following the publication of the announcement on the summoning of the General Meeting. The Board of Directors is obliged to include the proposed issue in the agenda of the General Meeting, and publish it within eight (8) days in a manner that is applicable to the publication of the announcement of the summoning of the General Meeting.

Within twenty-one (21) days prior to the date of the General Meeting, on its website the Company publishes the annual report prepared in conformance with the Accounting Act and the material data of report of the Board of Directors, as well as the summaries of the proposals and draft resolution connected with the agenda items of the General Meeting, furthermore summaries concerning the number of the shares and voting rights existing at the time of the summoning, and the remuneration statement.

The General Meeting forms a quorum if the shareholders representing more than half of the shares are present in person, or by way of their authorized representatives. Such authorizations for representation are to be granted in the form of public deeds or fully conclusive private deeds, and submitted on the date and in the place specified in the letter of invitation to the General Meeting, but during the registration prior to the General Meeting at the latest. If it is requested by the shareholders, the Company sends the proper form of the letter of authorization to the mailing address or e-mail address of the shareholders.

The authorization for representation is valid for one General Meeting or for a definite period, but for a maximum period of twelve (12) months. The validity of the authorization for

representation also covers the continuation of any suspended General Meeting and the repeated General Meeting if the original General Meeting has not formed a quorum.

The Members of the Board of Directors, the general manager, senior employee of the Company and the Auditor of the Company may not represent shareholders.

Should the General Meeting fail to form a quorum within thirty (30) minutes following the time specified in advance, the repeated General Meeting to be held with the same agenda is to be summoned within fifteen (15) days following the date of the original General Meeting, under the condition that at least 10 (ten) days must pass between the date of the summoning the repeated General Meeting and the date of the repeated General Meeting. The General Meeting repeated due to the lack of quorum is deemed to form a quorum as irrespective of the number of the attending persons in the issues included in the original agenda.

Those persons are entitled to exercise their membership rights at the General Meeting who has been recorded in the Shareholders' Ledger of the Company on the basis of the identification of shareholders initiated in connection with the closing of the Shareholders' Ledger prior to the General Meeting.

The effective date of the identification of shareholders is the 5th (fifth) stock exchange day before the General Meeting, or any other effective date specified in the relevant regulations of KELER in force from time to time. Any alienation of shares after the effective date of the identification of shareholders, but before the General Meeting does not affect the membership rights to be exercised at the given General Meeting.

On the basis of the data of the Shareholders' Ledger, the Board of Directors of the Company ensures the practical opportunity for the shareholders or their authorized representatives to exercise the right to vote in line with the shares actually held at the venue of the General Meeting provided that their personal identities have been properly evidenced, and the attendance register has been signed.

Any shareholder having failed to pay up its due asset contribution to the Company may not exercise its right to vote.

At the General Meeting, votes are cast primarily by means of a voting machine (mechanical). If for any reason voting with the use of a voting machine is not feasible, votes may be cast by voting papers, by the manual counting of the votes. In this latter case, the General Meeting elects a vote count verification committee upon the related proposal of the Chairman of the General Meeting. The vote count verification committee consists of 3 (three) members. The vote count verification committee compiles a written report on the results of the counting of votes, and they are to be announced by the Chairman of the General Meeting, and attached to the minutes of the General Meeting.

The Presiding Chairman of the General Meeting is the Chairman of the Board of Directors. In the case of any incapacitation of the Chairman of the Board of Directors, the Presiding Chairman of the General Meeting is elected by the General Meeting, from the persons

attending the General Meeting with a simple majority of votes, upon the related proposal of the Board of Directors.

The Chairman of the General Meeting opens the General Meeting, ascertains that the General Meeting forms a quorum, appoints the person to take the minutes of proceedings, presides over discussions, grants and withdraws the right to speak, may order any break, drafts resolutions, orders voting and announces the results thereof, announces the resolutions of the General Meeting, ensures the taking of the minutes of proceedings and the attendance register, and finally closes the General Meeting.

The minutes of General Meeting are taken in compliance with the provisions of the Civil Code.

Declaration of remuneration

The Company hereby advises the investors in relation to the persons occupying offices in the Company's Board of Directors ("BoD") during 2016, and the payments and allowances made in 2016 in relation to the respective positions.

name	office	duration of the occupation of the office 2016	payments and allowances in total 2016 (gross amount)	title payments and allowances
board of directions				
Balázs Bokorovics	Chairman of the BoD	01.01.2016. - 31.12.2016.	2.595.667,- HUF	Office-related emoluments
Dénes Gyimóthy	BoD member, acting Chief Executive	01.01.2016. - 31.12.2016.	2.076.333,- HUF	Office-related emoluments
Katalin Gyimóthy	BoD member	28.04.2016. - 31.12.2016.	1.250.333,- HUF	Office-related emoluments
Gábor Briglovics	BoD member	01.01.2016. - 31.12.2016.	2.076.333,- HUF	Office-related emoluments
Attila Juhász	BoD member	01.01.2016. - 31.12.2016.	2.076.333,- HUF	Office-related emoluments
Csaba Major	BoD member	01.01.2016. - 31.12.2016.	2.076.333,- HUF	Office-related emoluments
Marianna Lilla Martonfalvai	BoD member	28.04.2016. - 31.12.2016.	1.250.333,- HUF	Office-related emoluments
István Töröcskei	BoD member	01.01.2016. - 31.12.2016.	2.076.333,- HUF	Office-related emoluments
total:			15.477.998,- HUF	

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.

A 1.1.1	The Managing Body / <u>Board of Directors</u> ensured that shareholders received access to information in time to enable them to exercise their rights.	<u>Yes</u>	No (Please explain)
A 1.1.2	The company applies the "one share - one vote" principle.	<u>Yes</u>	No (Please explain)
A 1.2.8	The company ensures that shareholders must meet the same requirements in order to attend at the general meeting.	<u>Yes</u>	No (Please explain)
A 1.2.9	Items on the general meeting agenda only include subjects which are correctly detailed and summarized clearly and unambiguously.	<u>Yes</u>	No (Please explain)
	The proposals included the suggestions of the Supervisory Board and a detailed explanation of the effects of the decision.	Yes	<u>No</u> (There is no SB, only BoD)
A 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.	<u>Yes</u>	No (Please explain)
A 1.3.8	Comments on the items of the agenda were made available to shareholders simultaneously with registration at the latest.	<u>Yes</u>	No (Please explain)
	Written comments made on the items on the agenda were published two working days prior to the general meeting.	<u>Yes</u>	No (Please explain)
A 1.3.10	The election and dismissal of executives took place individually and by separate resolutions.	<u>Yes</u>	No (Please explain)
A 2.1.1	The responsibilities of the Managing Body / <u>Board of Directors</u> include those laid out in 2.1.1.	<u>Yes</u>	No (Please explain)

- A 2.3.1 The Managing Body / Board of Directors held meetings regularly, at times designated in advance.
Yes **No**
(Summoned when required)
- The Supervisory Board held meetings regularly, at times designated in advance.
Yes **No**
(There is no SB.)
- The rules of procedure of the Managing Body / Board of Directors provide for unscheduled meetings and decision-making through electronic communications channels.
Yes No (Please explain)
- The rules of procedure of the Supervisory Board provide for unscheduled meetings and decision-making through electronic communications channels.
Yes **No**
(There is no SB)
- A 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 No (Please explain)
- A 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**
(The independent members communicate the loss of their independence proactively.)
- A 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 **No**
(The Company abides by the statutory requirements.)
- A 2.6.1 Members of the Managing Body / Board of Directors informed the Managing Body / Board of Directors (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 No (Please explain)
- A 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 No (Please explain)
- Transactions which according to, fell outside the normal course of the company's business, and their terms and conditions were approved by the Supervisory Board (Audit Committee).
Yes **No**
(There is no SB.)
- A 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 **No**

- A 2.6.4 The Managing Body / Board of Directors established its guidelines on information flow within the company and the handling of insider information, and monitored compliance with those guidelines.
Yes No
- The Managing Body / Board of Directors established its guidelines regarding insiders' trading in securities and monitored compliance with those guidelines.
Yes No (Please explain)
- A 2.7.1 The Managing Body / Board of Directors formulated remuneration guidelines regarding the evaluation and remuneration of the work of the Managing Body, the Supervisory Board and the executive management.
Yes No
- The Supervisory Board formed an opinion on the remuneration guidelines.
Yes No
(There is no SB)
- The guidelines regarding the remuneration for the Managing Body / Board of Directors and the Supervisory Board and the changes in those guidelines were approved by the general meeting, as a separate item on the agenda.
Yes No (Please explain)
- A 2.7.2. The Managing Body / Board of Directors prepared an evaluation of the work it carried out in the given business year.
Yes No
(They evaluated the business year, and it was accepted by the General Meeting.)
- A 2.7.2.1 The Supervisory Board prepared an evaluation of the work it carried out in the given business year.
Yes No
(There is no SB)
- A 2.7.3 It is the responsibility of the Managing Body / Board of Directors to monitor the performance of and determine the remuneration for the executive management.
Yes No
(Only the CEO)
- 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 No (Please explain)
(Management share option program)
- A 2.7.4 The structure of share-incentive schemes were approved by the general meeting.
Yes No (Please explain)
(In relation to the members of the Board of Directors)
- 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 No (Please explain)
(In relation to the members of the Board of Directors)
- A 2.7.7 The Remuneration Statement was prepared by the company and submitted to the general meeting.
Yes No
(But prepared and published)

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

Yes No
(Only for the Board of Directors)

A 2.8.1 The Managing Body / Board of Directors or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.

Yes No

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

Yes No

The Managing Body / Board of Directors took the necessary steps to identify the major risk areas.

Yes No

A 2.8.3 The Managing Body / Board of Directors formulated the principles regarding the system of internal controls.

Yes No

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 No

A 2.8.4 When developing the system of internal controls, the Managing Body / Board of Directors took into consideration the viewpoints included in 2.8.4

Yes No

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

Yes No

(small holding organization – for this purpose, with a limited internal controlling system on the level of the holding, independent and outsourced functions)

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

Yes No

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 No

A 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 No

(It operates on the basis of the ad hoc instructions of the Board of Directors, but no instruction has been given in the period under review.)

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

Yes No (Please explain)

A 2.8.8	The Internal Audit schedule was approved by the Managing Body / <u>Board of Directors</u> (Supervisory Board) based on the recommendation of the Audit Committee.	Yes	<u>No</u> (See the above point)
A 2.8.9	The Managing Body / <u>Board of Directors</u> prepared its report for shareholders on the operation of internal controls.	Yes	<u>No</u>
	The Managing Body / <u>Board of Directors</u> developed its procedures regarding the receipt, processing of reports on the operation of internal controls, and the preparation of its own report.	Yes	<u>No</u>
A 2.8.11	The Managing Body / <u>Board of Directors</u> identified the most important deficiencies or flow in the system of internal controls, and reviewed and re-evaluated the relevant activities.	Yes	<u>No</u>
A 2.9.2	The Managing Body / <u>Board of Directors</u> , 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	<u>No</u> (There was no such case.)
A 2.9.3	The Managing Body / <u>Board of Directors</u> 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	<u>No</u> (There was no such case.)
	The Managing Body / <u>Board of Directors</u> pre-determined in a resolution what circumstances constitute "significant bearing".	Yes	<u>No</u>
A 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	<u>No</u>
A 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	<u>No</u>
A 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	<u>No</u>
A 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	<u>No</u>
A 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	<u>No</u>

A 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	<u>No</u>
	Yes	
A 3.3.1	There is a Nomination Committee operating at the company.	<u>No</u>
	Yes	
A 3.3.2	The Nomination Committee provided for the preparation of personnel changes.	<u>No</u>
	Yes	
	The Nomination Committee reviewed the procedures regarding the election and appointment of members of the executive management.	<u>No</u>
	Yes	
	The Nomination Committee evaluated the activity of board and executive management members.	<u>No</u>
	Yes	
	The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Managing Body / <u>Board of Directors</u> .	<u>No</u>
	Yes	
A 3.4.1	There is a Remuneration Committee operating at the company.	<u>No</u>
	Yes	
A 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>No</u>
	Yes	
A 3.4.3	The remuneration of the executive management was approved by the Managing Body / <u>Board of Directors</u> based on the recommendation of the Remuneration Committee.	<u>No</u>
	Yes	
	The remuneration of the Managing Body / <u>Board of Directors</u> was approved by the general meeting based on the recommendation of the Remuneration Committee.	<u>No</u>
	Yes	
	The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.	<u>No</u>
	Yes	
A 3.4.4	The Remuneration Committee made proposals regarding remuneration guidelines.	<u>No</u>
	Yes	
A 3.4.4.1	The Remuneration Committee made proposals regarding the remuneration of individual persons.	<u>No</u>
	Yes	
A 3.4.4.2	The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.	<u>No</u>
	Yes	
A 3.4.4.3	The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.	<u>No</u>

	Yes	<u>No</u>
A 3.4.7	The majority of the members of the Remuneration Committee are independent. Yes	<u>No</u>
A 3.5.1	The Managing Body / <u>Board of Directors</u> disclosed its reasons for combining the Remuneration and Nomination Committees. Yes	<u>No</u>
A 3.5.2	The Managing Body / <u>Board of Directors</u> carried out the duties of the Nomination Committee and disclosed its reasons for doing so. Yes	<u>No</u>
A 3.5.2.1	The Managing Body / <u>Board of Directors</u> carried out the duties of the Remuneration Committee and disclosed its reasons for doing so. Yes	<u>No</u>
A 4.1.1	In its disclosure guidelines, the Managing Body / <u>Board of Directors</u> 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	<u>No</u> (The Company regard relevant legal regulations are as applicable.)
A 4.1.2	The company ensured in its disclosure activities that all shareholders and market participants were treated equally. <u>Yes</u>	No (Please explain)
A 4.1.3	The company's disclosure guidelines include the procedures governing electronic, on-line disclosure. Yes	<u>No</u> (See Section 4.1.1)
	The company develops its website taking into consideration disclosure guidelines and the provision of information to investors. <u>Yes</u>	No (Please explain)
A 4.1.4	The Managing Body / <u>Board of Directors</u> assessed the efficiency of disclosure processes. Yes	<u>No</u>
A 4.1.5	The company published its corporate events calendar on its website. <u>Yes</u>	No
A 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. <u>Yes</u> (Partly)	No
A 4.1.8	In the annual report the Managing Body / <u>Board of Directors</u> 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	<u>No</u>

A 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 / <u>Board of Directors</u> , the Supervisory Board and the executive management. <u>Yes</u> (only on the website and just partly)	No
A 4.1.10	The company provided information on the internal organisation and operation of the Managing Body / <u>Board of Directors</u> and the Supervisory Board. Yes	<u>No</u>
A 4.1.10.1	The company provided information on the criteria considered when evaluating the work of the Managing Body / <u>Board of Directors</u> , the executive management and the individual members thereof. Yes	<u>No</u>
A 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 / Board of Directors, the Supervisory Board and the executive management. <u>Yes</u> (not about the guidelines)	No
A 4.1.12	The Managing Body / <u>Board of Directors</u> 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	<u>No</u>
A 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. <u>Yes</u>	No (Please explain)
A 4.1.14	The company discloses its guidelines governing insiders' trading in the company's securities on its website. Yes	<u>No</u> (See Section 4.1.1)
	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 / <u>Board of Directors</u> , the Supervisory Board and the executive management, as well as any interests held in share-incentive schemes. Yes	<u>No</u> (But it is a part of all the interim management reports.)
A 4.1.15	In the annual report and on its website, the company disclosed any relationship between members of the Managing Body / Board of Directors and the executive management with a third party, which might have an influence on the operations of the company. Yes	<u>No</u> (We are not aware of any material factor.)

Level of compliance with the Suggestions

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

J 1.1.3	The company has an investor relations department.	Yes / No
J 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)	Yes / No
J 1.2.2	The company's articles of association are available on the company's website.	Yes / No
J 1.2.3	The company disclosed on its website information according to 1.2.3 (on the record date of corporate events)	Yes / No
J 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.	Yes / No
J 1.2.5	The general meeting of the company was held in a way that ensured the greatest possible shareholder participation.	Yes / No
J 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.	Yes / No
J 1.2.7	The voting procedure applied by the company ensured unambiguous, clear and fast decision-making by shareholders.	Yes / No
J 1.2.11	At the shareholders' request, the company also provided information on the general meeting electronically.	Yes / No
J 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.	Yes / No
J 1.3.2	The Managing Body / Board of Directors and the Supervisory Board were represented at the general meeting.	Yes / No
J 1.3.3	The company's articles of association render possible that at the initiation of the chairman of the Managing Body / Board of Directors 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.	Yes / No
J 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.	Yes / No
J 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.	Yes / No
J 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.	Yes / No
J 1.3.7	The company published a press release and held a press conference on the decisions passed at the general meeting.	Yes / No

J 1.3.11	The company's general meeting decided on the different amendments of the articles of association in separate resolutions.	Yes / No
J 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.	Yes / No
J 1.4.1	The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.	Yes / No
J 1.4.2	The company disclosed its policy regarding anti-takeover devices.	Yes / No
J 2.1.2	The rules of procedure define the composition of the Managing Body / Board of Directors and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.	Yes / No
J 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
J 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
J 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
J 2.4.1	The election of the members of the Managing Body / Board of Directors took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.	Yes / No
J 2.4.2	The composition of boards and the number of members complies with the principles specified in 2.4.2	Yes / No
J 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
J 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.	Yes / No
J 2.5.3	The company has published a statement about the means it uses to ensure that the Managing Body / Board of Directors gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.	Yes / No
J 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 / No
J 2.7.5	The development of the remuneration system of the Managing Body / Board of Directors , the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.	Yes / No
J 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.	Yes / No
J 2.8.2	The Managing Body / Board of Directors developed its risk management policy and regulations	Yes / No

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.

J 2.8.10	When evaluating the system of internal controls, the Managing Body / Board of Directors took into consideration the aspects mentioned in 2.8.10	Yes / No
J 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 / No
J 2.9.1	The rules of procedure of the Managing Body / <u>Board of Directors</u> cover the procedure to be followed when employing an external advisor.	Yes / No
J 2.9.1.1	The rules of procedure of the Supervisory Board cover the procedure to be followed when employing an external advisor.	Yes / No
J 2.9.1.2	The rules of procedure of the Audit Committee cover the procedure to be followed when employing an external advisor.	Yes / No
J 2.9.1.3	The rules of procedure of the Nomination Committee cover the procedure to be followed when employing an external advisor.	Yes / No
J 2.9.1.4	The rules of procedure of the Remuneration Committee cover the procedure to be followed when employing an external advisor.	Yes / No
J 2.9.4	The Managing Body / <u>Board of Directors</u> may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.	Yes / No
J 2.9.5	The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.	Yes / No
J 3.1.2	The chairmen of the Audit Committee regularly inform the Managing Body / <u>Board of Directors</u> 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.	Yes / No
J 3.1.2.1	The chairmen of the Nomination Committee regularly inform the Managing Body / Board of Directors 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.	Yes / No
J 3.1.2.2	The chairmen of the Remuneration Committee regularly inform the Managing Body / Board of Directors 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.	Yes / No
J 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.	Yes / No
J 3.1.5	The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5	Yes / No
J 3.2.2	The members of the Audit Committee / Supervisory Board were fully informed about the accounting, financial and operational peculiarities of the company.	Yes / No
J 3.3.3	The Nomination Committee prepared at least one evaluation for the chairman of the Managing Body / Board of Directors on the operation of the Managing Body / <u>Board of Directors</u> and the	Yes / No

work and suitability of the members of the Managing Body / Board of Directors.

J 3.3.4	The majority of the members of the Nomination Committee are independent.	Yes / <u>No</u>
J 3.3.5	The rules of procedure of the Nomination Committee includes those details contained in 3.3.5	Yes / <u>No</u>
J 3.4.5	The Remuneration Committee prepared the Remuneration Statement.	Yes / <u>No</u>
J 3.4.6	The Remuneration Committee exclusively consists of non-executive members of the Managing Body / Board of Directors.	Yes / <u>No</u>
J 4.1.4	The disclosure guidelines of the company at least extend to those details contained in 4.1.4 pontban foglaltakra kiterjednek.	Yes / <u>No</u>
	The Managing Body / <u>Board of Directors</u> informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.	Yes / <u>No</u>
J 4.1.7	The company's financial reports followed IFRS guidelines.	<u>Yes</u> / No
J 4.1.16	The company also prepares and releases its disclosures in English.	<u>Yes</u> / No



**PROPOSAL AND DRAFT RESOLUTION
IN RELATION TO AGENDA ITEM 6**

**"DECISION ON THE EVALUATION OF THE WORK BY THE MEMBERS OF THE BOARD OF DIRECTORS IN THE BUSINESS YEAR
OF 2016 AND THE DISCHARGE TO BE GRANTED TO THE MEMBERS OF THE BOARD OF DIRECTORS"**

Upon the request of the members of the Board of Directors, the Company has put forward the following draft resolution to the General Meeting in relation to Agenda Item 6 of the General Meeting :

DRAFT RESOLUTION:

The General Meeting has resolved to grant the discharge defined in Section (1) of Article 3:117 of Act V of 2016 on the Civil Code, and detailed in Paragraph 19.z) and 20.g) of the Company's Articles of Corporation to the members of the Board of Directors for the period starting on 29 April 2016 and ending on 13 April 2017/28 April 2017¹. By granting such discharge, the General Meeting confirms that the members of the Board of Directors have properly executed their management activities in the previous business year. The Company may have any claim against the members of the Board of Directors based on their violation of their managerial obligations in case the facts or data serving as the basis of the provision of this discharge are untrue or incomplete.

This announcement is published in Hungarian and English languages. In case of any contradiction between these two versions, the Hungarian version shall prevail.

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¹ As appropriate for the actual date of the General Meeting



**PROPOSAL AND DRAFT RESOLUTION TO AGENDA ITEM 7
"DECISION ON THE EMOLUMENTS FOR THE MEMBERS OF THE BOARD OF DIRECTORS"**

In association with Agenda Item 7, the Board of Directors has proposed to the General Meeting to establish the emoluments of the Chairman of the Board of Directors to be a gross amount of HUF 195,000 a month from 15 April 2017/29 April 2017, and the emoluments of the individual members to be a gross amount of HUF 155,000.

DRAFT RESOLUTION:

The General Meeting has established the emoluments of the Chairman of the Board of Directors to be a gross amount of HUF 195,000 a month, and the emoluments of the other members to be a gross amount of HUF 155,000 from 15 April 2017/29 April 2017.

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PROPOSAL AND DRAFT RESOLUTION TO AGENDA ITEM 8

"AUTHORIZATION OF THE BOARD OF DIRECTORS TO PURCHASE TREASURY SHARES (PURSUANT TO ARTICLE 3:233)"

The Board of Directors proposes to the General Meeting to grant authorization to the Board of Directors to purchase treasury shares in an amount of HUF 1,000,000,000 (in words one billion) Hungarian Forints) at the maximum rate corresponding to the equity per share value stated in PannErgy Plc's last audited report approved by the General Meeting or – if it is dated later – last 6-monthly, IFRS-based, consolidated and published report. To calculate the equity per share value, the total number of shares stated in the same report has to be taken into account less the number of the repurchased treasury shares.

This authorization shall be granted for a one-year period starting on the day following General Meeting's decision on approval. The shares may be purchased solely in trading at the stock exchange.

The purchasing of treasury shares is justified by the fact that at the stock exchange the Company's shares are priced under the respective book value, while the Company's cash-generating efficiency has improved. The purchasing of treasury shares under the respective book value would increase the value of the Company's free float and consequently the shareholders' equity per share. The Board of Directors intends to shape the intensity and scheduling of the share purchasing move with the proper consideration of prudential requirements, because with the recently achieved energy-producing capacities the Group should operate safely, with sufficient financial reserves. These reserves should cover all planned and unexpected, or extraordinary operating and financial expenses. Furthermore, the Group must be in possession of adequate financial sources to satisfy the investment demands that relate to the expansion of the existing geothermal systems.

DRAFT RESOLUTION:

The General Meeting has granted authorization to the Board of Directors to purchase treasury shares in an amount of HUF 1,000,000,000 (in words one billion) Hungarian Forints) at the minimum rate of HUF 1 per share and a maximum rate corresponding to the equity per share value stated in PannErgy Plc's last audited report approved by the General Meeting or – if it is dated later – last 6-monthly, IFRS-based, consolidated and published report. To calculate the equity per share value, the total number of shares stated in the same report has to be taken into account less the number of the repurchased treasury shares. The authorization shall be valid in the period starting on 29 April 2017 and ending on 27 April 2018*. The shares may be purchased solely in trading at the stock exchange.

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** as appropriate for the actual date of the General Meeting*

**PROPOSAL AND DRAFT RESOLUTION
IN RELATION TO AGENDA ITEM 9**

"ELECTION OF THE COMPANY'S AUDITOR, THE ESTABLISHMENT OF ITS REMUNERATION, THE DETERMINATION OF THE SUBSTANTIAL ELEMENTS OF THE CONTRACT TO BE CONCLUDED WITH THE AUDITOR ON THE BASIS OF THE AUDIT COMMITTEE'S ASSOCIATED PROPOSAL"

In association with Agenda Item 9 and in line with the opinion of the Audit Committee, the Board of Directors hereby makes the following proposal to the General Meeting.

With respect to the fact that the auditing time limitations set forth in the new legal regulations pertaining to the rotational requirements for the auditors of public limited companies impose restrictions on the persons having been in charge of auditing in 2016, the General Meeting has to introduce changes for the business year of 2017.

Accordingly, for the business year of 2017 (for a period ending on 30 April 2018) the Board of Directors proposes the following persons to be elected as the permanent auditors of the Company:

Data of the company:

Venilia Vellum Könyvvizsgáló és Adótanácsadó Kft.
Company registration number: 01-09-566797
Tax number: 12229888-2-41
Registration number at the Chamber of Auditors: 000340
Registered seat: H-1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.

Data of the natural person:

Rózsa Bukri – member of the Chamber of Auditors
Membership number at the Chamber: 001130
Number of the auditor ID card: 002395
Address: H-1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.
Mother's name at birth: Rozália Kamrás
Born: Budapest, 06.07.1973
Tax ID: 8389020572

Draft resolution:

For the business year of 2017 (for a period starting on the date of this Resolution and ending on 30 April 2018), the General Meeting has elected the following persons as the permanent auditors of the Company:

Data of the company:

**Venilia Vellum Könyvvizsgáló és Adótanácsadó Kft.
Company registration number: 01-09-566797
Tax number: 12229888-2-41
Registration number at the Chamber of Auditors: 000340
Registered seat: H-1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.**

to act as the Company's permanent auditor, and

Data of the natural person:

Rózsa Bukri – member of the Chamber of Auditors

Membership number at the Chamber: 001130

Number of the auditor ID card: 002395

Address: H–1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.

Mother's name at birth: Rozália Kamrás

Born: Budapest, 06.07.1973

Tax ID: 8389020572

as the person in charge of auditing activities.

The General Meeting has established the annual remuneration of the permanent auditor as a maximum amount of HUF 6,500,000 + VAT, including the remuneration of the auditing of the IFRS-based individual and consolidated reports. The other essential conditions of contracting with the permanent auditor shall be identical to the terms and conditions agreed earlier. The General Meeting has requested the Audit Committee to prepare the contract to be concluded with the permanent auditor, and the Board of Directors to conclude the contract.

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PROPOSAL AND DRAFT RESOLUTION
IN RELATION TO AGENDA ITEM 10
"AMENDMENT OF THE COMPANY'S ARTICLES OF CORPORATION IN RELATION TO AGENDA ITEM 9"

This proposal of the Board of Directors has been drafted to initiate the amendment of the Articles of Corporation because of the election of the auditor for the business year of 2017 in the framework of Agenda Item 9.

DRAFT RESOLUTION

In line with Resolution no. [●]/2017 (Apr 13) / [●]/2017 (Apr 28.)* of the General Meeting, the General Meeting has amended Section 47.2 of the Company's Articles of Corporation as follows:

"The Company's Auditor shall be:

<u>name of the company:</u>	<u>Venilia Vellum Könyvvizsgáló és Adótanácsadó Kft.</u>
<u>registered seat:</u>	<u>H-1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.</u>
<u>company registration number:</u>	<u>01-09-566797</u>
<u>registration number at the Chamber:</u>	<u>000340</u>

Person being responsible for auditing activities:

<u>name:</u>	<u>Rózsa Bukri</u>
<u>name at birth:</u>	<u>Rózsa Bukri</u>
<u>mother's name:</u>	<u>Rozália Kamrás</u>
<u>place of residence:</u>	<u>H-1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.</u>
<u>registration no. at the Chamber:</u>	<u>001130</u>
<u>title from:</u>	<u>14 April 2017/29 April 2017*</u>
<u>title until:</u>	<u>30 April 2018"</u>

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* as appropriate for the actual date of the General Meeting