

**A PANNONPLAST Műanyagipari Részvénytársaság**  
[PANNONPLAST Plastic Industry Private Limited Company]

**CHARTER**

(in a unified structure with amendments)

**I.**

**NAME AND SEAT OF THE COMPANY**

1. Name of the Company: PANNONPLAST Műanyagipari Részvénytársaság  
Short name of the Company: PANNONPLAST Rt.
2. Seat of the Company: H-1097 Budapest, Könyves Kálmán krt. 5/b.
3. Branch site of the Company: H-4001 Debrecen, Kishegyesi út

As in accordance with the decision of the General Meeting and the Board of Directors, the Company is entitled to raise and establish branch sites and agencies, as well as sub-offices both in Hungary and abroad. The registration of any such act at the Trade Registry Court, as well as the disclosure thereof shall be attended by the Board of Directors or any person entrusted by the Board.

**II.**

**FOUNDATION AND DURATION OF THE COMPANY**

4. The Company was founded for an indefinite term.

The Company shall be deemed as the general legal successor of H-Pannonplast Műanyagipari Vállalat [H-Pannonplast Plastic Industry Corporation], with the date of reorganization being June 01 1991.

**III.**

**SUBJECT OF THE COMPANY**

5. Pannonplast Rt. was founded to perform the activities specified in this Charter.

6. Scope of activities by the Company (according to TEÁOR '03):
- 74.15 '03 Asset management – main activity
  - 25.21 '03 Manufacture of plastic films and pipes
  - 25.22 '03 Manufacture of plastic packaging materials
  - 25.23 '03 Manufacture of plastic building materials
  - 25.24 '03 Manufacture of other plastic products
  - 51.19 '03 Agency wholesale of mixed products
  - 51.57 '03 Wholesale of waste materials
  - 51.90 '03 Wholesale of other goods
  - 63.11 '03 Cargo management
  - 63.12 '03 Storage and warehousing
  - 70.20 '03 Leasing out and operation of properties
  - 71.34 '03 Leasing out other, non-classified machinery
  - 72.30 '03 Data processing
  - 74.14 '03 Business management consultancy
  - 74.87 '03 Other, non-classified economic services

Wholesale activities shall be deemed as excluding activities specified in Appendix 1 and 2 of Decree 15/1989 (07/11) by the Ministry of Commerce.

#### IV.

#### SHARE CAPITAL AND SHARES

7. The share capital of the Company is HUF 421,093,100.-, that is four hundred twenty-one million ninety three thousand one hundred Hungarian forints.
8. Shares of the Company:  
The Company's share capital consists of 4,210,931 dematerialized ordinary shares of HUF 100, that is one hundred Hungarian forints each, representing the same and equal membership rights; such shares comprises a single series of securities.
9. [cancelled]
10. [cancelled]
- 11.1. [section cancelled]

Within one type or class of shares, more than one series of securities may be issued. Shares of the same type and content as representing the same membership rights shall be deemed as a series of securities. The par value and the mode of production of the individual shares belonging to the same series may not differ from each other.

In case the Company should operate in the future in a private limited form, upon submitting the limited company's charter to the Trade Registry Court the Company shall certify that its shares are not included in the Stock Exchange Register. After any changes in the form of operation of the Limited Company

has been disclosed in the Companies' Bulletin, shares may not be traded with by means of public offers for sales or purchase.

[last section cancelled]

- 11.2. The Company's Board of Directors or any organization commissioned by the Company's Board of Directors for the keeping of the Shareholders' Ledger as in accordance with the related legal regulations shall keep the Shareholders' Ledger on all and any shareholders holding registered shares; the Shareholders' Ledger shall contain at least the following information:
- a) name of the shareholder or the shareholder's agent (company), or name of the joint agent (company) for shares in joint holding;
  - b) address of the shareholder or the shareholder's agent (company), or address of the joint agent (company) for shares in joint holding;
  - c) number of shares and provisional shares (extent of proprietary share) for each share series as held by the individual shareholders (or the shareholder(s) represented in the case of any shareholder's agent);
  - d) date of share acquisition (the number of shares acquired indicated separately) with the date of registration;
  - e) cancelled
  - f) cancelled
  - g) cancelled
  - h) cancelled

The Company's Board of Directors shall make a copy of the part of the Shareholders' Ledger in relation to any shareholder upon the shareholder's request with the related risks and costs being covered by the shareholder.

In the event of any changes in the basic particulars registered in the Shareholders' Ledger (name, seat, address), the shareholder is obliged to inform the Board of Directors promptly on such changes, as well as state the new basic particulars. In case the shareholder has failed to meet this obligation, all and any liability for the damages connected to or arising from such failure shall be incurred by the shareholder.

- 11.3. The Company's shares may be assigned freely without any restrictions. Such assignment of shares shall be deemed as valid for the Company only if the name of the new owner has been registered in the Shareholders' Ledger. The Company shall accept the account statement as issued by Központi Elszámolóház és Értéktár (Budapest) Rt. ("KELER") [Central Clearing House and Depository Plc.], or any investment service-provider entrusted with the management of the securities deposit account as the certification of the share holding and such assignment.

If the shareholder has already been registered in the Shareholders' Ledger, – as irrespective of the related procedure of the acquiring party – the shareholder is obliged to notify the Company on the assignment of its share(s) within 8 days as from the assignment of the share(s). In case the shareholder has failed to meet this obligation, the shareholder is obliged to pay a default

penalty in a daily amount corresponding to 0.01% of the aggregate par value of the share(s) being subject to such obligation of notification to the Company until the fulfillment of the notification thereon.

Any person shall be deemed a shareholder whose name has been registered in the Shareholders' Ledger. The entity managing the securities deposit account or the custodian account, or the clearing house may exercise the shareholders' rights in the Public Limited Company under the related written agreement concluded with the shareholder, as the agent of the shareholder, as well as in its own name and on behalf of the shareholder. The shareholder's agent may exercise the shareholders' rights in the Public Limited Company as after its having been registered in the Shareholders' Ledger as the shareholder's agent.

[section cancelled]

The applicant for such registration shall provide and complete the following items in its application for registration:

- number of shares by each share series;
- account statement issued by the clearing house or the entity managing the securities deposit account to confirm that the related shares have been credited in the shareholder's securities deposit account;
- company/name of the shareholder or shareholder's agent;
- seat/address;
- date(s) of the acquisition of share(s) (i);
- [cancelled]

11.4. On any registration in the Shareholders' Ledger, the Board of Directors shall decide.

The Board of Directors is entitled to rule on any issues in relation to proceedings of the keeping of the Shareholders' Ledger not settled in the Charter, and in this respect the Board is obliged to inform the shareholders on the respective part of its rules of procedure upon any related request by any of the shareholders.

[section cancelled]

The shareholder is entitled to inspect the Shareholders' Ledger, as well as to request any copy from the part being related to the shareholder from the Board of Directors or any of its agents. Third parties may inspect that part of the Shareholders' Ledger that is likely to involve their interests.

11.5. In the event of acquiring any part of the control over the Company, the obligations of notification and disclosure as specified in Section (1), (3), (5) and (7) of § 67 of Act CXX/2001 on Capital Market shall be deemed as enforceable for the acquisition of control reaching up to five percent, as well as for the decrease of control under five percent.

- 11.6. [cancelled]
- 11.7. [cancelled]
- 11.8. On the acceptance or rejection of registration to the Shareholders' Ledger, the Board of Directors shall decide on the basis of the information made available to the Board within 15 days as from the receipt of the application for such registration.
- 11.9. The Board of Directors is entitled to reject or prohibit any registration to the Shareholders' Ledger, as well as to cancel or have any share cancelled from the Shareholders' Ledger promptly in case the Board has become aware of any fact that the shareholder acquired any of its shares as violating the legal regulations on shares or the rules in the Charter pertaining to the assignment of shares.
- 11.10. [cancelled]
- 12.1. [cancelled]
- 12.2. The Board of Directors or the organization entrusted with the keeping of the Shareholders' Ledger shall decide on the applications for registration in the order of their being received. Applications received on the same day may be decided upon at the Board's or the above organization's own discretion.
- 13.1. [cancelled]
- 13.2. [cancelled]
14. [cancelled]
15. A single share may have more than one owner who shall be deemed as one shareholder in the Public Limited Company; they may exercise their related rights only by way of their representative, and shall have joint and several liability for the obligations incurred by them as shareholders.

In case any share is in joint ownership, the name of the common representative shall be registered in the Shareholders' Ledger.

[section cancelled]

- 16.1. The Company is entitled to eliminate the provisional share of the shareholder who has failed to pay its share capital contribution in case the Management of the Company has notified the shareholder to meet its related obligation as specifying the consequences pertaining, the Management has prescribed a term of 30 days for this purpose, and then this term has elapsed with no result. Such a notification shall set forth that the failure to meet the above obligation should result in the termination of membership (shareholding relation).

- 16.2. With the intention to replace such eliminated provisional shares, the Company has the right to take appropriate measures to create new shares, and may sell such shares created.
- 17.1. When increasing the Company's share capital by means of financial contribution, the Company's shareholders shall have priority in subscribing shares in any public issue. In case the share capital is to be increased in the framework of private issue of shares, such priority in subscribing shares shall be deemed to pertain to the priority right to receive shares.
- 17.2 The Company's Board of Directors shall initiate the disclosure of its decision to increase the share capital by means of financial contribution in the Company's news media of public notice, as well as in the Company Bulletin within 2 (two) business days in order to inform the shareholders on the potentialities of exercising the priority right to subscribe shares, the par value and the issue price of the shares to be subscribed, as well as the starting and closing date of the period – at least fifteen days – to exercise such rights. The starting day may not take place earlier than the day following the date of disclosure of the related public notice in the Company Bulletin. The Company is obliged to inform any shareholder on the conditions to exercise the priority right to subscribe shares by means of an electronic mail upon the shareholder's related request received also in an electronic mail. In case the shareholders intend to exercise their priority rights for a number of shares exceeding the number of shares that can be subscribed, the shareholders are entitled to subscribe shares as proportionately to the aggregate par values of the shares hold by the individual shareholders under the additional condition that in the case of shares that may not be allocated in the course of the allocation of shares carried out as proportionately to the individual shareholdings without creating fractional shareholdings, the allocation of shares shall be performed so that the Company should rank its shareholders on the basis of the aggregate par values of their individual shareholdings by placing the shareholders with the smallest shareholdings to the top of the rank, and the shareholders with the largest shareholdings to the bottom of the rank, and then allocating one share to each shareholder as in accordance with the ranking until the newly issued shares have been fully allocated.
18. The Company is entitled to decrease its equity capital by withdrawing shares.

## V.

### **GENERAL MEETING, VOTES**

19. The General Meeting shall be the supreme body of the Company, consisting of the collectivity of the shareholders.

The General Meeting shall have exclusive competence over:

- a) establishment and modification of the Charter unless otherwise stipulated by the Act on Business Organizations;

- b) decision on the increase of the share capital unless otherwise stipulated by the Act on Business Organizations;
- c) changes in the rights pertaining to the individual share series, as well as the conversion of share types and classes;
- d) decision on the restructuring of the Public Limited Company, as well as its dissolution with no legal successor;
- e) election, recall of the members of the Board of Directors, the Supervisory Board and the Auditor, as well as the establishment of the emoluments;
- f) acceptance of the reports prepared as in accordance with the Act on Accountancy, including the decision on the utilization of the profit after tax;
- g) decision on the issue of convertible bonds or bonds ensuring subscription rights unless otherwise stipulated by the Act on Business Organizations;
- h) decision on all and any investment or sale in a value exceeding 30% of the equity recorded in the Company's last consolidated balance sheet;
- i) apart from the approved annual plan, decision on any financial transaction – excluding transactions belonging to ordinary business activities (purchase, sale of products) – that entails the utilization of a loan, the undertaking of a guarantee or any other financial obligation in a value exceeding 30% of the shareholders' equity recorded in the Company's last consolidated balance sheet;
- j) decision on the issue of employees' shares unless otherwise stipulated by the Act on Business Organizations;
- k) decision on the conversion of the share types;
- l) decision on the introduction of the Company's shares to the stock exchange, or on the application for withdrawing such shares from the stock exchange (the General Meeting may make a decision as concerning the withdrawal of shares from the stock exchange only if any investor(s) has undertaken an obligation in advance that it should make a purchase offer as pertaining to such withdrawal in accordance with the regulations stipulated in the related rules of the Budapest Stock Exchange Public Limited Company, i.e. for the purchase of shares whose owners are to decide on the sale of their respective shares in the run of validity of the purchase offer);
- m) decision on any transformation as concerning the form of operation of the Public Limited Company;
- n) decision on the payment of interim dividends unless otherwise stipulated by the Act on Business Organizations;
- o) [cancelled]
- p) decision on the acquisition of own shares, as well as on the acceptance of public purchase offer for own shares;
- q) decision on any decrease in the share capital unless otherwise stipulated by the Act on Business Organizations;
- r) decision on the exclusion of priority subscription rights;
- s) decision on the (i) acceptance, modification, termination of the Share Option Program for the Management (program granting options or shares to the members of the Company's Board of Directors or the

Management); and on the (ii) general conditions of granting loans to the members of the Board of Directors or the Management by the Company; and on the (iii) general conditions of other, extraordinary allowances to be granted to the members of the Company's Board of Directors or the Management;

t) decision on any issue that the related legal regulations or the Charter render to the exclusive competence of the General Meeting.

20. The annual ordinary General Meeting shall be held once a year, by the deadline as stipulated by the related legal regulations.

The closing date for the identification of the owners shall be the 5<sup>th</sup> stock-exchange business day before the date of the General Meeting, thus any records may be entered to the Shareholders' Ledger until such a closing date.

The agenda of the annual ordinary General Meeting shall invariably include:

- a) report by the Board of Directors on the activities performed by the Company in the previous business year;
- b) report by the Board of Directors prepared in accordance with the Act on Accountancy, as well as their proposal as concerning the allocation of the profit earned and the establishment of dividends;
- c) report by the Supervisory Board and the Auditor on the reports prepared in accordance with the Act on Accountancy, as well as their opinion on the proposal by the Board of Directors as concerning the allocation of the profit earned and the establishment of dividends;
- d) discussion of the report prepared in accordance with the Act on Accountancy, establishment of the balance sheet and profit and loss account, decision on the allocation of the profit earned, as well as on the establishment of the dividends.

21. Extraordinary General Meetings may be summoned by the Board of Directors – in case they deem it as necessary as concerning the operations of the Company –, the Supervisory Board, the Chair of the Supervisory Board, as well as by the Trade Registry Court in cases specified by the Act of Business Organizations, and the shareholders possessing at least one-tenth of the votes, or a smaller proportion of shareholders if it is stipulated by the related legal regulations otherwise as in a written form by designating the related reasons and objectives, as well as by certifying their entitlement as owners of the Company. The Auditor may also request the summoning of the General Meeting in cases stipulated by the Act on Business Organizations.

22. The invitation for the General Meeting shall be publicly disclosed by the Board of Directors or any other entitled party specified in the foregoing as in accordance with the regulations pertaining to the Company's public notices, 30 days before the date of the planned General Meeting. The Chair of the Supervisory Board, as well as the Company's Auditor shall be notified on the summoning of the General Meeting with regard to the above deadline, in the form of separate letters of invitation.



All and any letters of invitation for the General Meeting, as well as public notices shall include the name and seat of the Company, the venue, date and time of the General Meeting, the agenda of the General Meeting, as well as the conditions to exercise voting rights, and the venue, date and time of the repeated General Meeting in case the original General Meeting should fail to form a quorum.

On any issue not included in the agenda disclosed, the General Meeting may make a decision only if all the shareholders are present, and approve it unanimously.

23. The General Meeting shall be deemed to form a quorum if more than half of the voting shares are present in person or by means of their duly authorized representatives. Such authorization for representation shall be notarized in a public instrument or fully certifying private instrument that shall be submitted to the persons entrusted with keeping the minutes of the General Meeting in the place and time set forth in the letter of invitation for the General Meeting for this purpose, but at the beginning of the General Meeting at the latest.

Any authorization for representation shall be deemed as valid for one General Meeting or a specified period of time, but for a maximal term of 12 months. The validity of the authorization for representation shall cover the continued session of any General Meeting suspended and repeated General Meeting summoned in the lack of quorum.

24. In case the General Meeting still does not form a quorum in 30 minutes as from the time specified for the beginning of the General Meeting, the repeated General Meeting to be held with the same agenda shall be summoned to be held on a date within 15 days as from the date of the original General Meeting. The repeated General Meeting shall be deemed to constitute a quorum as concerning the issues included in the original agenda as irrespective of the number of people being present.
25. A person shall be deemed to be entitled to exercise the related membership rights at the General Meeting in case it is the owner of shares on the closing date of ownership identification. At the General Meeting, no person may be excluded from exercising the related membership rights at the General Meeting in case it is the owner of shares on the closing date of ownership identification. On the basis of the information registered in the Shareholders' Ledger, the Company's Board of Directors shall ensure proper practical facilities in the venue of the General Meeting for the shareholders to vote by each share (e.g. voting ticket).
26. At the General Meeting, voting shall be primarily conducted by means of voting machines (mechanical way). In any case voting by means of voting machines should not be feasible, voting may be conducted by means of voting papers as counting the votes manually. In this latter case, as proposed by the Chair of the General Meeting, the General Meeting shall elect a committee for the counting of the votes. Such a committee shall consist of 3 members. The committee for

the counting of the votes shall prepare a written report on the result of voting, and such a report shall be expounded by the Chair of the General Meeting, as well as attached to the minutes of the General Meeting.

- 27.1 The decisions by the General Meeting on the issues specified in the above Sections of V. 19. (a), (c), (d) (k), (l), (m), (q) (r), as well as in cases set forth by the related legal regulations shall be made with at least the three-fourth majority of the votes cast, and in other cases with the simple majority of the votes cast.
- 27.2 The General Meeting may also make any decision with a three-fourth majority on the dislocation of any public purchase offer towards the acquisition of the Company's shares after such public purchase offer has been learnt. In such cases, the provisions on the exclusion or restriction of voting rights may not be applied with the exception of excluding the voting rights pertaining to own shares. Abstentions may not be deemed as votes.
- 27.3 In case the Company has issued shares belonging to different share series, the General Meeting may make a decision on any increase in the share capital only if at least the three-fourth majority of the holders of the share series involved in such increase of the equity capital have given their prior approval thereto by means of their written votes to be cast within the 15-day deadline specified as simultaneously with the disclosure of the public notice on the related General Meeting. In such cases, the provisions of the related legal regulations or the Charter on the restriction or exclusion of voting rights in relation to the shares involved may not be applied.
28. One ordinary share shall entitle its holder to cast one vote.
29. The Prosecuting Chair of the General Meeting shall be the Chair of the Board of Directors. In the event the Chair of the Board of Directors should be incapacitated, the Chair of the General Meeting shall be elected by the persons being present, by means of the simple majority of the General Meeting, as in accordance with the proposal of the Board of Directors. The right of counter-nomination shall exist. Any nominee shall make a statement whether s/he is willing to undertake the title. The same procedure applies to the election of persons being responsible for counting the votes (if applicable) and the persons being responsible for certifying the minutes of the General Meeting, both proposed by the Chair of the General Meeting, under the additional condition that the persons being responsible for certifying the minutes of the General Meeting may only be shareholders or any representatives thereof.
30. The Chair of the General Meeting shall appoint the person being responsible for keeping the minutes of the General Meeting, conduct discussions on the basis of the agenda, withdraw the floor, ordain voting and expound the result of voting, as well as proclaim the decision of the General Meeting.

31. The minutes of the General Meeting shall be kept as in accordance with the related provisions of the Act on Business Organizations.

## VI.

### BOARD OF DIRECTORS

- 32.1 The Board of Directors shall be responsible for controlling the Company. Accordingly, they shall determine the Company's strategic principles, as well as supervise operations by the Management. On the basis of the Company's priority interests, with regard to the rights of the shareholders and other parties involved and to the interests of the stakeholders as far as possible, the Board of Directors shall act with proper diligence and carefulness.
- 32.2 The Board of Directors shall consist of at least 3, but maximally 7 members (Directors). The members of the Board of Directors shall be elected by the General Meeting for a term of three years. The members of the Board of Directors may be reelected after the termination of their appointment.

The majority of the Board of Directors shall be independent members to the Board of Directors.

Any member to the Board of Directors shall be deemed as an independent member only if neither the member, nor his/her close relative is an officer or employee in the Company, or in any of the Company's subsidiaries. No member to the Board of Directors may be deemed as an independent member if the member or his/her close relative, or his/her company that can be determined as an interrelated entity under § 685/B of the Civil Code of Hungary has a permanent agency engagement with the Company or any of its subsidiaries.

Any company shall be deemed as a subsidiary under Section 32 hereto over which the Company has at least 10% direct or indirect control as calculated in accordance with the related regulations of Act CXX/2001 on Capital Markets.

All and any persons nominated for membership in the Board of Directors are obliged to make a statement by the time of accepting such nomination at the latest, in writing or in the minutes of the General Meeting as concerning whether s/he is to be deemed as independent under the above provisions.

33. The Board of Directors shall elect the Chair of the Board of Directors, as well as the Chief Executive Officer by means of simple majority from among its own members. In case the Chair of the Board of Directors shall occupy the position of the Chief Executive Officer, s/he shall be entitled to use the title of President–Chief Executive Officer.
34. The Board of Directors shall determine its own rules of procedure with the additional condition that the Board of Directors shall constitute a quorum only if the current Directors of the Board are present.

35. [cancelled]

36. Scope of competence of the Board of Directors:

- a) elaboration and acceptance of proposals for the issues belonging to the exclusive competence of the General Meeting as in accordance with Section 19 of this Charter, as well as the submittal of such proposals to the General Meeting;
- b) [cancelled]
- c) [cancelled]
- d) [cancelled]
- e) attending the keeping of the Company's books, ensuring the correctness of the financial and accounting reports;
- f) decisions and measures on issues that do not belong to the exclusive competence of the General Meeting, and rendered to the Board of Directors' scope of competence by the Charter, as well as by the related acts and other legal regulations;
- g) decision on the Company's annual and medium-term plans;
- h) [cancelled]
- i) [cancelled]
- j) [cancelled]
- k) election of the Chief Executive Officer, as well as the establishment of the Chief Executive Officer's scope of competence and emoluments;
- l) vesting employees with the right of representation for specified groups of matters;
- m) establishment of the conditions for the acquisition and assignment of employees' shares;
- n) decision on the registration of any new shareholder in the Shareholders' Ledger if they have not entrusted any organization with the keeping of the Shareholders' Ledger;
- o) obligation to receive any purchase offer for the all the Company's shares on behalf of the Company's shareholders, as well as to make an opinion thereon, and make a proposal on thereon to the shareholders stating whether such an offer may be deemed as fair and acceptable, or as serving the Company's best interests. The Board of Directors is entitled to disclose its opinion thereon;
- p) decision in relation to the agreement concluded or to be concluded with deposit manager entrusted with the keeping of the Company's shares;
- q) decision on any increase in the share capital;
- r) entitlement and obligation to modify the Charter in any case of increase in the share capital carried out within the competence of the Board of Directors;
- s) decision on the acquisition of own shares in case it is necessitated by the intention to avoid serious damages directly threatening the Public Limited Company;
- t) decision on the payment of interim dividends (upon the prior approval by the Supervisory Board);
- u) decision (upon the prior approval by the Supervisory Board) on accepting any interim balance sheet, exercising rights as pertaining to

- redeemable shares, acquiring own shares, paying interim dividends or increasing the share capital as covered by properties over the actual share capital;
- v) decision on the issue of convertible bonds or bonds ensuring subscription;
  - x) establishment of strategic principles and participation in the elaboration of the strategy, establishment of business and financial plans, major capital expenditure, control over property acquisition and capital withdrawal, establishment of succession policy in the management;
  - y) formulation of company objectives, as well as the supervision and monitoring of the accomplishment of such objectives;
  - z) establishment of the remuneration principles for the Management (except for the approval, modification and termination of share option and other programs involving the granting of options or shares to members of the Company's Board of Directors or the Management, i.e. programs belonging to the General Meeting's scope of competence), the supervision of Management activities and taking the appropriate measures as necessary, the execution share option program run at the Company;
- aa) handling conflicts of interests, elaboration of the Company's Ethical Code;
  - ab) establishment of risk management principles to ensure the proper mapping of risk factors, as well as the appropriateness of internal control mechanisms, as well as the related regulatory and supervisory system to handle such risks, guarding legal compliance;
  - ac) elaboration of the mechanism for the nomination of the members to the Board of Directors, making proposals on the emoluments of the members;
  - ad) formulation of principles as concerning the transparency of the Company's operations and the disclosure of material corporate information, as well as the supervision of the observance of such principles;
  - ae) supervision and monitoring of the efficiency as concerning the actual practice of business management;
  - af) contacting with the Supervisory Board, as well as the preparation of reports for the Supervisory Board at least with the frequency specified in the Act on Business Organizations;
  - ag) contacting with the shareholders on the appropriate level and with proper frequency.

37. The Board of Directors is entitled to increase the Company's share capital in the 3-year period as from April 29 2004 by the maximum rate of 25% of the

share capital on an annual basis by means of public issue of new shares against cash.

In the course of the increase in the share capital under this authorization, the Board of Directors is obliged to apply the following rules:

- (i) The Board of Directors is entitled to issue exclusively such shares that represent rights and have par values being identical to those of the shares having been issued earlier.
- (ii) The Board of Directors is obliged to establish the details of the share subscription. Such decisions shall especially cover the subscription period, the mode of subscription, the terms of payment, as well as the amounts to be paid in. The Board of Directors is obliged to establish the issue price so that it should reflect the market price of the shares.
- (iii) [cancelled]
- (iv) [cancelled]
- (v) After the completion of increase in the share capital, the Board of Directors is obliged to inform those participating in the subscription on the results of the increase in the share capital, as well as to take the required measures towards the registration of the increase in the share capital at the Trade Registry Court. The Company is obliged to notify the shareholders on the registration of the increase in the share capital in the form of a public notice. The new shareholders are entitled to request the crediting of the shares in the securities deposit account only as after the registration of the increase in the share capital at the Trade Registry Court.

38. If the Chief Executive Officer attends his/her office in the form of a labour relation, the employer's rights shall be exercised by the Board of Directors over her/him. The leader of the Company's labour organization shall be the Chief Executive Officer, and s/he shall exercise the employer's rights over the Company's employees. This power of the Chief Executive Officer may be transferred to the Company's senior positions on a case-by-case basis or for a specified scope of administrative tasks as in accordance with the related legal regulations.

39. [cancelled]

40. Decisions by the Board of Directors shall be made by a simple majority. In the event of the equality of votes, it shall be the vote of the Chair to decide. The Board of Directors' prior approval is required for all and any legal matters involving the Company and any of its subsidiaries, the members to the Company's Board of Directors and any managers authorized to put corporate signature, or their close relative (§ 685 (b) of the Civil Code), or such companies or senior managers thereof that have granted any income belonging to the scope of taxation or social security contributions to a member to the Board of Directors, to a manager authorized to put corporate signature or to any of their close relatives, or that can be determined to have been interrelated with the Company under § 685/B of the Civil Code in the two years before the conclusion of the agreement connected to the legal matter in

question. The involved member to the Board of Directors is obliged to inform the Board of Directors promptly on her/his involvement in the given matter as after s/he has become aware of the conclusion of the agreement or any acts towards this end. The involved member to the Board of Directors may not cast a vote in the matter.

## VII.

### **SUPERVISORY BOARD**

41. The Supervisory Board shall consist of at least 3, but maximally 5 members (Directors). The members of the Supervisory Board shall be elected by the General Meeting for a term of three years. The members of the Supervisory Board may be reelected after the termination of their appointment.
42. The Supervisory Board shall elect a Chair from among the members at the first meeting of the Supervisory Board.
43. The Chair of the Supervisory Board shall summon and conduct the meetings of the Supervisory Board, designate the keeper of the minutes of such meetings, ordain voting, and establish the result of such voting.
44. A meeting of the Supervisory Board may be summoned by any members thereof by specifying the related reasons and objectives in case the related request by the member of the Supervisory Board has not been fulfilled by the Chair within 8 days.
45. Scope of competence of the Supervisory Board:
  - a) inspection of all and any material reports put forward to the General Meeting, as well as of any reports prepared in accordance with the Act on Accountancy, proposals on the allocation of profits and the establishment of dividends by the Board of Directors, and proposals on matters belonging to the General Meeting's scope of competence; preparation of the related reports to the General Meeting;
  - b) summoning the General Meeting promptly in case the Supervisory Board should observe any measures violating the related legal regulations or the Charter, or failure or infringement damaging the Company's interests;
  - c) supervision over the Company's Management;
  - d) unless otherwise stipulated by the Act on Business Organizations, prior approval to the conclusion of agreements that the Public Limited Company intends to conclude with any shareholder thereof holding at least 10% voting rights by means of registered shares or any of its close relatives;
  - e) attending the duties as prescribed the related legal regulations.
46. The organizational rules, as well as rules of procedures for the Supervisory Board shall be established by the Supervisory Board, and then shall be put forward to the General Meeting for approval.

## **VIII.**

### **AUDITOR**

47. The Company engages an Auditor. The Auditor shall be elected for a term of three years by the General Assembly.
48. The nominee for the Auditor shall be proposed by the Board of Directors, and such a proposal shall be put forward by the Chair of the Board of Directors. In case the nominee of the Board of Directors for the Auditor should not be elected by the General Meeting, the further nomination for the Auditor shall be in the General Meeting's scope of competence.
49. Duties of the Auditor:
  - a) supervision of the Company's business books;
  - b) preparation of the report to the General Meeting on the proposal by the Board of Directors as concerning the Company's reports prepared as in accordance with the Act on Accountancy, the allocation of the profits and the establishment of the dividends;
  - (c) exercising other powers as stipulated by the related legal regulations.

## **IX.**

### **CORPORATE SIGNATURE**

50. Persons authorized to put corporate signature
  - a) the current Chief Executive Officer individually;
  - b) any two of the members to the Board of Directors (as apart from the Chief Executive Officer) jointly;
  - c) any of the members to the Board of Directors (as apart from the Chief Executive Officer) jointly with the Company's duly authorized employee; and
  - d) two of the Company's employees duly authorized by the Board of Directors jointly.
51. The Company shall be registered in a manner whereby person(s) authorized to put corporate signature shall attach their names under the Company's pre-written, pre-printed or printed name in the forms certified by the notary public as specimens of signature for the Company.
52. [cancelled]
53. This regulation of putting corporate signature shall not apply to the attendance of legal representation based on any directly applicable legal regulation, or the manner of exercising any individual power to put corporate signature.

## **X.**



## **APPROVAL TO THE BALANCE SHEET, ALLOCATION OF THE PROFITS, FINANCIAL YEAR**

54. The Company's financial year shall last from January 1 to December 31.
55. At the end of each financial year, a balance sheet pertaining to the Company, as well as a consolidated balance sheet in relation to the Group shall be prepared. In case there should be material differences between the Hungarian Accounting Standards and the International Accounting Standards, such balance sheets shall be prepared as in accordance with both types of standards, and the profit and loss shall be accounted for in the same manner. The balance sheets shall be prepared both in English and Hungarian.
56. From the share capital, no dividend or interest to the shareholders may be ensured or paid.
57. The right to receive any dividend shall lapse in five years as after the maturity of such a dividend.
58. The Company may not pay any dividend on its own shares, and may not take the dividend on the own shares into account when establishing the share to be granted to shareholders entitled to receive dividends. Any dividend shall become mature on the date of the annual ordinary General Meeting in a manner that at least a period of 10 business days should elapse from date of the decision (General Meeting, Board of Directors) setting forth the starting date for the disbursement of the dividends to the starting date of the actual disbursement of such dividends.
59. The Company may disburse any dividend exclusively by means of bank transfer. The Company shall perform such a bank transfer to a shareholder (common representative) or the person(s) designated by the shareholder as to the bank account or client account specified by the shareholder.
60. Dividends may not entail any interest payment obligations for the Company.

### **XI.**

#### **PUBLIC NOTICES**

61. Unless otherwise specified by the related legal regulations, the Company shall disclose its public notices once in the printed and electronic issues of the national daily paper entitled Magyar Tőkepiac [Hungarian Capital Market] and acknowledged by the National Supervision of Financial Organization as the public electronic data-transmission and -storage system for the disclosure of official information originating from the stakeholders of the capital market. As long as the Company is under the effect of the Rules of Disclosure issued by the Budapest Stock Exchange („BÉT”), the Company shall disclose the information specified in the BÉT Rules in the website of BÉT, as well as in its own website.

62. All and any legal disputes arising from this Charter between the shareholders and the Company shall be subject to the exclusive competence of the Budapest Court of Justice.

Budapest, April 29 2005

Balázs Bokorovics  
Chairman of the Board of Directors

Balázs Szabó  
Chief Executive Officer

Countersigned in Budapest, on April 29 2005: