



**PROPOSAL AND DRAFT RESOLUTION TO AGENDA ITEM
TO AGENDA ITEM 10 "AUTHORIZATION OF THE BOARD OF DIRECTORS TO PURCHASE TREASURY SHARES
(PURSUANT TO ARTICLE 3:233)"**

In association with Section 10 of the Agenda, 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 200,000,000 (in words two hundred million Hungarian Forints) at the maximum rate corresponding to the equity per share value stated in PannErgy Plc's last audited, consolidated report prepared in line with IFRS and approved by the General Meeting. 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 2016 and ending on 30 April 2017. 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. The Board of Directors has proposed to set an upper limit for 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 up to an amount of HUF 200,000,000 (in words two hundred million Hungarian Forints) at a rate corresponding at least to HUF 1 and maximally to the equity per share value stated in PannErgy Plc's last audited, consolidated report prepared in line with IFRS and approved by the General Meeting. 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 2016 and ending on 30 April 2017. The shares may be purchased solely in trading at the stock exchange.

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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