



**PROPOSAL AND DRAFT RESOLUTION
CONCERNING AGENDA ITEM 1 OF THE EXTRAORDINARY GENERAL MEETING
“AMENDMENT OF THE COMPANY’S ARTICLES OF CORPORATION IN RELATION TO SECTION 19 OF THE ARTICLES OF
CORPORATION”**

This proposal of the Board of Directors relates to the amendment of the Articles of Corporation for the following reasons.

In the Company’s business operations, there may be transactions that are associated with the acquisition and selling of participations, and can potentially

- require considerable funds;
- cover decisions of strategic importance that may be related to future trends in the geothermal business line;
- lead to the termination of long-standing participations and business relations, or aim at the creation of long-term participations and business relations;
- involve the appearance of a new investor;

carry such significance that fundamentally affects the shareholder value, and therefore necessitates decision-making by the General Meeting.

With respect to the fact that within the meaning of the currently effective Articles of Corporation the General Meeting has no competence in approving the above types of transactions, the Board of Directors have proposed such an amendment of the Articles of Corporation where in relation to the transactions concerned the General Meeting would become competent in making decisions on the above affairs. It seems to be reasonable to define such a level of decision-making authority that would bring just truly material transactions into the scope of the General Meeting’s competence, thereby ensuring the reasonable operation of the Company.

According to the proposal made by the Board of Directors, the list of matters belonging to the scope of the General Meeting’s exclusive competence under Section 19 of the Articles of Corporation would be amended with the following matters (the current Paragraph (x) would describe the proposed new competence, and at the same time the present (x) designation of the paragraph would change to (y)):

“19. *The Company’s supreme body is the General Meeting, comprising of all the shareholders of the Company.*

The General Meeting shall be exclusively competent in the following matters:

[...]

- (x) **making decisions on the selling of participations owned by the Company or the acquisition of participations provided that (i) the selling or acquisition price of the 100% stake in the entity in question is at least 50% (fifty percent) of the value of the equity according to the consolidated IFRS annual report last accepted by the Company's General Meeting, and (ii) it affects at least 5% (five percent) of the total ownership share/voting rights;**

- y) *decision on all issues that are assigned to the competence of the General Meeting by the law or the Articles of Corporation."*

DRAFT RESOLUTION

The General Meeting has amended Section 19 of the Company's Articles of Corporation by replacing the current wording of Paragraph (x) of Section 19 of the Articles of Corporation with the following wording, and changing the current Paragraph (x) to (y) (amendments are highlighted in bold, underlined italics):

"19. *The Company's supreme body is the General Meeting, comprising of all the shareholders of the Company.*

The General Meeting shall be exclusively competent in the following matters:

[...]

- (x) **making decisions on the selling of participations owned by the Company or the acquisition of participations provided that (i) the selling or acquisition price of the 100% stake in the entity in question is at least 50% (fifty percent) of the value of the equity according to the consolidated IFRS annual report last accepted by the Company's General Meeting, and (ii) it affects at least 5% (five percent) of the total ownership share/voting rights;**

- y) *decision on all issues that are assigned to the competence of the General Meeting by the law or the Articles of Corporation."*

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