



**PROPOSAL  
CONCERNING AGENDA ITEM 3 OF THE EXTRAORDINARY GENERAL MEETING**

In deviation from the agenda items that are described in the invitation published by PannErgy Public Company Limited by Shares (hereinafter referred to as the “**Company**”) on 30 May 2016 for the Company’s General Meeting to be held on 4 July 2016, the shareholders jointly representing at least one percent of the votes in the Company (hereinafter referred to as “**Joint Petitioners**”) requested in writing pursuant to Article 3:259 of Act V of 2013 on the Civil Code (Ptk.), in the form of their specific petition submitted until the statutory deadline and thus received on 7 June 2016 – in conformance to the rules pertaining to the details of the agenda – that the Company’s Board of Directors should amend the announced agenda of the General Meeting – among others – with the following new agenda item:

***“Decrease of the Company’s share capital by means of the withdrawal of treasury shares”***

In their petition, the Joint Petitioners have set out a specific draft resolution in relation to the agenda item, with respect to the following reasons (literally cited from the petition of the Joint Petitioners):

*“At the General Meeting closing the business year of 2015, a question was raised by a shareholder in connection with the Company’s strategy to handle treasury shares owned by the Company. The Chairman of the Board of Directors explained – quote: “the Board of Directors does not have any known strategic goal or proposed resolution in this respect”.*

*The Company’s shareholders are interested in preventing these shares from being disposed by the Company beyond the scope of the MSOP program that has been proposed by the Board of Directors and supported by the large shareholders. Any disposal, selling of treasury shares at any price under the own equity per share value would be injurious to the Company’s shareholders, and deteriorate the individual shareholder value (otherwise, it is also true for the approved MSOP program). At the currently prevailing stock exchange rate, it is quite unlikely that treasury shares could be sold at any price over the own equity per share benchmark. Besides, the treasury share repurchasing program that is in progress further increases the number of treasury shares held, and therefore the proposed withdrawal would not jeopardize the completion of the MSOP program, but would open broader grounds for the purchasing of additional treasury shares.*

*Due to the foregoing, we are making a proposal for the decrease of the share capital by withdrawing 1,854,656 treasury shares in a total face value of HUF 37,093,120 with the effective date of 1 October 2016. After its decrease, the Company’s share capital would be HUF 383,999,980, embodied by 19,199,999 shares.”*

In relation to the agenda item, the Joint Petitioners have not put forward a proposed resolution in compliance with the relevant legal regulations.

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