



**PROPOSAL AND DRAFT RESOLUTION
CONCERNING AGENDA ITEM 4 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:

“Election and recall of members of the Board of Directors and Audit Board.”

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, two shareholders with significant participations referred to the “Female shareholders for gender equality” project discussed at the General Meeting closing the business year of 2014, and consequently proposed the election of Katalin Gyimóthy and Lilla Martonfalvay as members of the Board of Directors. We want to express our delight to see that the said initiative has impressed the Company’s large shareholders, and as a result the close relatives of the Chairman of the Board of Directors and the Chief Executive Officer have been voted to become members of the Board of Directors.

On the other hand, it is to be noted to the General Meeting and large shareholders that a considerable proportion, nearly 40% of the Company’s shares are held by Hungarian private persons as small investors. The proportionate representation of these shareholders in the Company’s decision-making bodies would largely improve the Company’s image among investors. Therefore, it is proposed that small shareholders should be given the opportunity to be represented in both the Board of Directors and the Audit Board.

The candidate is intended to be named and introduced at a later date in writing or at the General Meeting. Furthermore, the Joint Petitioners have also put forward the following proposal:

“István Töröcskei is proposed to be recalled from the Board of Directors in view of his role as an owner and senior officer at companies that have become liquidated in recent years.”

DRAFT RESOLUTION PROPOSED BY THE JOINT PETITIONERS:

Resolution 4/2016 (July 4) of the General Meeting:

The General Meeting has elected [candidate’s name] (place and date of birth: [candidate’s place and date of birth]; address: [candidate’s address]; mother’s name at birth: [mother’s name at birth]) to act as an independent member of the Board of Directors and at the same time member of the Audit Board for an indefinite term starting today.



Resolution 4/2016 (July 4) of the General Meeting:

The General Meeting has recalled István Töröcskei (address: H-1125 Budapest, Kútvölgyi út 24/B 1.4.; mother's name at birth: Ilona Jaeger) from his office as a member of the 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.