

Resolutions of the Board of Directors of PannErgy Public Company Limited by Shares accepted on 19. March 2018. in association with the agenda items of the Company's annual ordinary General Meeting to be held on 13 April 2018/27 April 2018*

Resolution no. 2018.03.19./2 of the Board of Directors

In association with **Agenda Item no. 1–4**, with the contents and substances attached to this Resolution, the Board of Directors proposes to the shareholders to accept the Company's following reports in relation to the business year of 2017:

- report of the Board of Directors;
- PannErgy Plc and its subsidiaries Consolidated Financial Statements and Annual Report in conformance to IFRSs including the Independent Auditor's Report;
- PannErgy Plc Annual Report and Business Report (compiled in accordance with IFRSs) including the Independent Auditor's Report

The Board of Directors proposes to the General Meeting to set off the total amount of the Company's profit after taxes (loss) against the existing amount of the profit reserve. The Company does not propose any dividend payment.

Resolution no. 2018.03.19./3 of the Board of Directors

In association with **Agenda Item no. 5**, in the form of the appendix to this Resolution the Board of Directors proposes to the shareholders to accept the Company's corporate governance report, stating to what extent the recommendations and proposals described in the relevant provisions of Budapest Stock Exchange's Corporate Governance Recommendations have been applied in the Company's own corporate governance practices.

Resolution no. 2018.03.19./4 of the Board of Directors

The Board of Directors proposes - in association with **Agenda Item no. 6**, - to The General Meeting to grant the discharge defined in Section (1) of Article 3:117 of Act V of 2013 on the Civil Code, and detailed in Paragraph 19.z) and 20.g) of the Company's Articles of Corporation to the members of the Board of Directors for the period starting on 29 April 2017 and ending on 13 April 2018/27 April 2018. By granting such discharge, the General Meeting confirms that the members of the Board of Directors have properly executed their management activities in the previous business year. The Company may have any claim against the members of the Board of Directors based on their violation of their managerial obligations in case the facts or data serving as the basis of the provision of this discharge are untrue or incomplete.

Resolution no. 2018.03.19./5 of the Board of Directors

In association with **Agenda Item no.7**, the Board of Directors proposes to the General Meeting to establish the emoluments of the Chairman of the Board of Directors to be a gross amount of HUF

195,000 a month, and the emoluments of the individual members to be a gross amount of HUF 155,000 from 14 April 2018/28 April 2018*.

Resolution no. 2018.03.19./6 of the Board of Directors

In association with **Agenda Item no.8**, The Board of Directors proposes that the General Meeting should grant authorization to the Board of Directors to purchase treasury shares up to an amount of HUF 1,000,000,000 (in words one billion Hungarian Forints) at a share rate corresponding to at least HUF 1 and up to HUF 950 at the maximum.

The upper limit of the above share price range has been defined with the respect to the HUF 1024 target share rate that has been specified in the most recent update* of the analysis initiated by the Budapest Stock Exchange and conducted by OTP Bank Ltd as recommendation for buyers.

* 16.01.2018 / www.bet.hu or at the time of this proposal directly at [https://www.bet.hu/pfile/file?path=/site/Magyar/Dokumentumok/Tozsdetaqoknak/Tozsdetaqok-elemzesej/OTP Bank Nyrt. - PannErgy Nyrt. elemzoi kommentar - 2018.02.13..pdf1](https://www.bet.hu/pfile/file?path=/site/Magyar/Dokumentumok/Tozsdetaqoknak/Tozsdetaqok-elemzesej/OTP%20Bank%20Nyrt.-PannErgy%20Nyrt.elemzoi%20kommentar-2018.02.13..pdf1)

This authorization shall be granted for a one-year period starting on the day following General Meeting's decision on approval. The shares may be purchased solely in trading at the stock exchange.

Resolution no. 2018.03.19./7 of the Board of Directors

In association with **Agenda Item no. 9**, in line with the opinion of the Audit Committee the Board of Directors has proposed to the General Meeting that for the business year of 2018 (for the period ending on 30 April 2019) the Company should re-elect the current audit firm, i.e. elect Venilia Vellum Könyvvizsgáló és Adótanácsadó Kft. (Venilia Vellum Auditing and Tax Counseling Ltd) to act as the Company's permanent auditor.

The Board of Directors has proposed Rózsa Bukri to be elected as the person assuming personal responsibility for the auditing activities.

For the business year of 2018 (for the period starting on 13/27 April 2018 and ending on 30 April 2019), the General Meeting has elected

Data of the company:

Venilia Vellum Könyvvizsgáló és Adótanácsadó Kft.
Company registration number: 01-09-566797
Tax number: 12229888-2-41
Registration number at the Chamber of Auditors: 000340
Registered address: H–1026 Budapest, Szilágyi Erzsébet fasor 79. fsz. 3.

Data of the natural person:

Rózsa Bukri – member of the Chamber of Auditors
Membership number at the Chamber: 001130
Number of the auditor ID card: 002395
Address: H–1026 Budapest, Szilágyi Erzsébet fasor 79. fsz. 3.
Mother's name at birth: Rozália Kamrás
Born: Budapest, 06.07.1973

Tax ID: 8389020572

as the person in charge of auditing activities. The General Meeting has established the annual remuneration of the permanent auditor as a maximum amount of HUF 6,500,000 + VAT in relation to the auditing of the individual and consolidated annual reports, equally prepared in conformance to the EU IFRSs. The other essential conditions of contracting with the permanent auditor shall be identical to the terms and conditions agreed earlier. The General Meeting has requested the Audit Committee to prepare the contract to be concluded with the permanent auditor, and the Board of Directors to sign the contract.

Resolution no. 2018.03.19./8 of the Board of Directors

In association with **Agenda Item no.10**, the relevant legal regulations and provisions of the Articles of Corporation requires the Company to elect a member to the Audit Board (due to the resignation of the former member, Gábor Briglovics), in association with Agenda Item no. 10 the Board of Directors proposed to the General Meeting to elect Csaba Major from among the independent members of the Board of Directors to act as the member of the Audit Board.

Csaba Major brief description of the professional career:

Csaba Major has been a member of PannErgy Plc's Board of Directors since 2013.

He graduated at the Budapest University of Economic Sciences and Public Administration in 2003 as an economist, specialized in financial investment analysis and risk management. In 2003–2005, he was working as a corporate advisor at KPMG's Corporate Finance Division. Since 2005, he has been Cashline Group's portfolio manager.

Resolution no. 2018.03.19./9 of the Board of Directors

This proposal of the Board of Directors - with **Agenda Item no.11** - has been drafted to initiate the amendment of the Articles of Corporation because of the election of the auditor in the framework of Agenda Item no. 9 for the business year of 2018 and the election of a new member to the Audit Board in the context of Agenda Item no. 10.

Furthermore, the Board of Directors proposes an amendment for clarification, because in line with Article 9/A of the Accounting Act in effect since 1 January 2017, it is justified to cancel the second sentence of Section 55 of the Articles of Corporation, because following the above-referenced date the Company is required to compile its annual reports in conformance to the IFRSs.

*according to the date of the Annual General Meeting

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