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**ARTICLES OF CORPORATION  
OF  
PANNERGY NYILVÁNOSAN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG  
[PANNERGY PUBLIC COMPANY LIMITED BY SHARES]**

that have been amended and set in a unified structure in accordance with Act V of 2013 on the Civil Code (hereinafter referred to as Ptk.) (such amendments and modifications have been highlighted in bold and underlined italics) (hereinafter referred to as the "Articles of Corporation):

**I**

**NAME AND SEAT OF THE COMPANY**

- |      |                                    |   |
|------|------------------------------------|---|
| 1.1. | Name of the Company:               | PannErgy Nyilvánosan Működő<br>Részvénytársaság |
|      | Short name of the Company:         | PannErgy Nyrt.                                  |
| 1.2. | Foreign name of the Company:       | PannErgy Public Company Limited by Shares       |
|      | Short foreign name of the Company: | PannErgy PLC                                    |
| 2.   | Registered seat of the Company:    | H—1117 Budapest, Budafoki út 56.                |
| 3.   | Branch office of the Company:      | H-4031 Debrecen, Kishegyesi út 263.             |

As in accordance with the decision of the General Meeting and the Board of Directors, the Company is entitled to raise and establish business sites, branch offices and agencies, as well as sub-offices both in Hungary and abroad. The registration of any such decision at the Court of Registration, as well as the disclosure thereof shall be managed by the Board of Directors or any person entrusted by the Board of Directors.

**II**

**FOUNDATION AND DURATION OF THE COMPANY**

4. The Company has been founded for an indefinite period of term.

The Company shall be deemed as the general legal successor of H-Pannonplast Műanyagipari Vállalat [H-Pannonplast Plastics Industry Corporation] with the date of transformation being 1 June 1991.

**III**

**SCOPE OF ACTIVITIES OF THE COMPANY**

5. Pannonplast Plc has been founded to perform the activities specified in the present Articles of Corporation.
6. Scope of activities by the Company according to TEÁOR '08:

70.10 '08	Business management - core activity
09.90 '08	Other mining services
22.21'08	Manufacture of plastic panels, sheets, films, pipes, profiles
22.22'08	Manufacture of plastic packaging devices
22.23'08	Manufacture of plastic building materials
22.29'08	Manufacture of other plastic products
27.32'08	Manufacture of electronic, electric wires, cables
27.33'08	Manufacture of fittings
33.19'08	Repair services of other industrial devices
33.20'08	Commissioning of industrial machinery, equipment
32.99 '08	Other, non-categorized processing industry activities
35.30'08	Steam supply, air conditioning
42.21'08	Construction of public utility lines for the transportation of liquids
43.13 '08	Soil sampling, pilot boring
46.19'08	Agency wholesale of mixed products
46.77 '08	Wholesale of waste materials
46.90 '08	Wholesale of mixed products
52.10'08	Storage and warehousing
52.24'08	Cargo management
62.03 '08	Operation of computerized devices
63.11'08	Data processing, web hosting services
68.20'08	Letting out and management of own real estates
70.22'08	Business management and other management consultancy
71.12'08	Engineering activities, technical consultancy
72.19 '08	Other scientific, technical research and development
74.90 '08	Other, non-categorized professional, scientific, technical activities
77.35 '08	Renting of air transportation equipment
77.39'08	Letting out of other machinery, tangible assets
77.40'08	Letting out of intangible assets
82.99 '08	Other, non-categorized complementary business services

[section cancelled]

#### IV

#### SHARE CAPITAL AND SHARES

7. The share capital of the Company shall be HUF 421,093,100, that is four hundred twenty-one million ninety-three thousand one hundred Hungarian forints.
8. Shares of the Company:

The Company's share capital consists of 21,054,655 pieces of registered dematerialized equity shares with the nominal value of HUF 20, that is twenty Hungarian forints each, representing the same and equal membership rights; such shares consist of one single series of shares.

9. [cancelled]  
 10. [cancelled]  
 11.1.[section cancelled]  
 [section cancelled]

If by way of the three-fourth majority decision of the General Meeting the Company decides to operate as a private company limited by shares in the future, the Company shall provide for the delisting of its shares at the Stock Exchange. Such a change in the legal form of operations shall become effective upon the stock exchange delisting.

[last section cancelled]

- 11.2. The Company's Board of Directors or any organization authorized by the Company's Board of Directors for the keeping of the Register of Shares (hereinafter referred to as "Other Keeper of the Register of Shares") as in accordance with the related legal regulations shall keep the Register of Shares about any shareholders holding provisional shares and fully paid up shares, by recording the following information:

- a) name of the shareholder (company), or name of the joint agent (company) for shares in joint holding;
- b) address of the shareholder (registered seat), or address of the joint agent (registered seat) for shares in joint holding;
- c) number of shares and provisional shares as held by the individual shareholders (with the ratio of their ownership);
- d) any cancelled details when such data are cancelled;
- e) date of the registration of the shareholder in the Register of Shares; date of the registration of any additional share acquisition, or the date of the registration of any full or partial cancellation of shareholding;
- e) cancelled
- f) cancelled
- g) cancelled
- h) cancelled

[section cancelled]

The Company's Board of Directors or any Other Keeper of the Register of Shares is obliged to register any shareholder in the Register of Shares at the request of the formally certified shareholder, immediately upon the notification of the data registered in the Register of Shares by the account-keeper of the respective securities account.

Such a shareholder may not be registered in the Register of Shares who

- a) has so instructed, and any shareholder having made a declaration for this purpose shall be cancelled by the Company's Board of Directors or any Other Keeper of the Register of Shares without fail;
- b) has acquired the Company's shares in a manner violating the rules pertaining to the transfer of shares in any relevant legal regulation or these Articles of Corporation."

11.3 The Company's shares may be transferred freely, without any restrictions. The title of the shareholders as owners of the Company shall be certified by registration in the Company's Register of Shares, and accordingly the shareholder may exercise its shareholder rights vis-à-vis the Company only if the given shareholder has been registered in the Register of Shares. Based on a written agreement made with the shareholder the account-keeper of the respective securities deposit account or the clearing house as the agent of the shareholder (hereinafter referred to as the "shareholder's agent") are entitled to exercise the shareholder's rights against the Company in its own name and on the shareholder's behalf. Such a shareholder's agent also can be an exchange foreigner person if it is entitled to exercise the shareholder's rights against the Company in its own name and on the shareholder's behalf as in its own right. This rule shall be deemed as applicable even if any membership right is exercised against the Company on the basis of the issue of secondary securities for the benefit of the owner of such secondary securities (final beneficiary). Any shareholder's agent may exercise the respective shareholder's rights against the Company only after its registration in the Register of Shares as a shareholder's agent.

11.3.1 The Board of Directors of the Company or any Other Keeper of the Register of Shares shall register the data arising from the results of the shareholder identification for any beneficiary in connection with the closing of the Register of Shares prior to any General Meeting so that it shall simultaneously cancel all and any former data from the Register of Shares. Data cancelled from the Register of Shares shall remain identifiable. The rules of procedure for shareholder identification are specified by the currently effective regulations of Központi Elszámolóház és Értéktár (Budapest) Zrt. [Central Clearing House and Depository (Budapest) Ltd] (hereinafter referred to as the KELER) (or its legal successor).

In between the dates of two successive General Meetings, the Company's Board of Directors or any Other Keeper of the Register of Shares shall continuously update the data registered in the Register of Shares on the basis of the results of the last shareholder identification under Section 11.2 herein by registering the notifications of the managers of the respective securities deposit accounts.

If the property rights of any shareholder registered in the Register of Shares (or in the case of a shareholder's agent those of the shareholder represented by the agent) over the respective shares (or any part thereof) have terminated by any debit on the securities deposit account,

- (i) the shareholder or
- (ii) the account keeper of the respective securities deposit account shall notify this fact to the Company's Board of Directors or any Other Keeper of the Register of Shares within two business days as from the date of such debiting. The Company's Board of Directors or any Other Keeper of the Register of Shares shall register such a change in the Register of Shares on the basis of the notification provided by the manager of the respective securities account/shareholder without fail.

[section cancelled]

[section cancelled]

[section cancelled]

11.4. [section cancelled]

The Board of Directors is entitled to rule on any issues in relation to proceedings of keeping of the Register of Shares not settled in the Articles of Corporation, and in this respect the Board of Directors is obliged

to inform the shareholders on the respective part of its rules of procedure upon any related request by any of the shareholders.

[section cancelled]

On the basis of a preliminary written inquiry and proper appointment, the shareholder or any third person is entitled to have access to the Register of Shares at the registered seat of the Company or Other Keeper of the Register of Shares. The shareholder may request a copy of part of the Register of Shares being related to the shareholder from the Board of Directors or any Other Keeper of the Register of Shares, and such a request shall be fulfilled by the Board of Directors or any Other Keeper of the Register of Shares within five days as free of charges.

11.5. [cancelled]

11.6. [cancelled]

11.7. [cancelled]

11.8. [cancelled]

11.9. [cancelled]

11.10. [cancelled]

12.1. [cancelled]

12.2. [cancelled]

13.1. [cancelled]

13.2. [cancelled]

14. [cancelled]

15. A single share may have more than one owners who shall be deemed as one shareholder towards the Company; they may exercise their related rights only by the way of their joint representative, and shall have joint and several liability for the obligations incurred to them as shareholders.

[section cancelled]

[section cancelled]

16.1. In the case of increasing the share capital by issuing new shares, any shareholder is obliged to make the cash and/or in-kind contribution corresponding to the entire nominal value of such shares to the Company within one year as from the date of the registration of the increase of the share capital in the Company Registry. Prior to the said deadline, any shareholder shall fulfil this obligation in case the Board of Directors calls upon the shareholder for fulfilment in public notices published in the regular place of disclosure of the Company. Such notices shall precisely specify the deadline and place

(e.g. designation of a particular bank account) of performance. The shareholder may fulfil the said obligations still before the publication of these notices. If in the course of the increase of the share capital the issuing value of the shares exceeds the nominal value, the related difference shall be fully made available to the Company at the of subscription of shares.

The Company shall publish the auditor's report or expert report in relation to the valuation of the in-kind contribution in Cégközlöny (Companies' Gazette).

16.2. [cancelled]

17.1. When increasing (privately or publicly) the Company's share capital by cash contribution, the Company's shareholders (and principally the shareholders holding shares that belong to the same share series as the shares to be issued) shall have priority rights for the receipt of such shares under the terms and conditions set forth in the associated resolution of the General Meeting, or the resolution of the Board of Directors in case the increase of the share capital is regulated by a resolution of the Board of Directors.

17.2 The Company's Board of Directors shall initiate the disclosure of its decision to increase the share capital by financial contribution in the regular places of the Company's public notices, as well as in Cégközlöny within 2 (two) business days in order to inform the shareholders on the potentialities of exercising the priority right, the nominal value and the issue price of the shares to be subscribed, as well as the starting and closing date of the 15-day (fifteen) period being open to exercise such rights. The starting day may not take place earlier than the day following the date of disclosure of the related public notice in the Cégközlöny. *The Company is obliged to inform any shareholder on the conditions to exercise the priority right by an electronic mail upon the shareholder's related request received also in an electronic mail.* In case the shareholders intend to exercise their priority rights for a number of shares exceeding the number of shares that may be subscribed, the shareholders are entitled to subscribe shares as proportionately to the aggregate nominal values of the shares held by the individual shareholders under the additional condition that in the case of shares that may not be allocated in the course of the allocation of shares carried out as proportionately to the individual shareholdings without creating fractional shareholdings, the allocation of shares shall be performed so that the Company should rank its shareholders on the basis of the aggregate nominal values of their individual shareholdings by placing the shareholders with the smallest shareholdings to the top of the rank, and the shareholders with the largest shareholdings to the bottom of the rank, and then allocating one share to each shareholder as in accordance with the ranking until the newly issued shares have been fully allocated.

17.3. Upon the written proposal by the Board of Directors, the General Meeting has the right to exclude the exercise of priority rights relating to the receipt of shares. In such cases, the Board of Directors is obliged to present in its proposal the reasons why to exclude the priority rights. The Board of Directors is also obliged to declare those advantages that the Public Company Limited by Shares would benefit from in the event of excluding the priority rights. In any other aspect, the rules for negotiating such a proposal shall be identical to the general rules as relating to the discussion of proposals by the General Meeting. The General Meeting shall vote on the acceptance of the proposal as simultaneously with the voting on the proposed resolution providing for the exclusion of priority rights. The General Meeting may not validly adopt any resolution on the increase of the share capital as long as no decision has been made on the exclusion of the exercise of the priority right.

18. [cancelled]

## V

### GENERAL MEETING, VOTES

19. The General Meeting is the supreme body of the Company, consisting all of its shareholders.

The General Meeting shall have exclusive competence in the following matters:

- a) approval and modification of the Articles of Corporation unless otherwise stipulated by the Civil Code, or on the basis of its authorization by the Articles of Corporation;
- b) the decision on the increase of the share capital by issuing new shares or increase of share capital against the additional equity of the company - except increasing the share capital by issuing new shares or against the additional equity of the company on the basis of the authorization granted by the General Meeting to the Board of Directors;
- c) alteration of rights attached to series of shares, and transformation of share categories or classes;
- d) decision on the restructuring of the Company, as well as its dissolution without legal successor;
- e) the election, recall of members of the Board of Directors and the permanent Auditor, including the decision on their remuneration, furthermore the election of the members of the Audit Committee, establishment of the material elements of the contract to be concluded with the permanent Auditor;
- f) the acceptance of the reports prepared as in accordance with the Act on Accountancy, including also the decision on distribution of profit after tax;
- g) decision on the issue of convertible bonds or bonds ensuring subscription rights, except for the authorization granted by the General Meeting to the Board of Directors as concerning any issue of convertible bonds or bonds ensuring subscription rights;
- h) [cancelled]
- i) [cancelled]
- j) decision on the issue of employees' shares, except the issue of employees' shares based on the authorization granted by the General Meeting to the Board of Directors as concerning any;
- k) decision on the conversion of the share types;
- l) decision on the introduction of the Company's shares to the stock exchange, or on the application for withdrawing such shares from the stock exchange (the General Meeting may make a decision as concerning the withdrawal of shares from the stock exchange only if any investor(s) has (have) undertaken an obligation in advance that it should make a purchase offer as relating to such withdrawal in accordance with the regulations stipulated in the related rules of the Budapest Stock Exchange, i.e. for the purchase of shares whose owners are to decide on the sale of their respective shares in the run of validity of the purchase offer);
- m) decision on any transformation of the operational form of the public company limited by shares;
- n) decision on the payment of interim dividends unless otherwise stipulated by the Civil Code or these Articles of Corporation on the basis of the authorization granted by the Act on Business Associations;
- o) [cancelled]
- p) except for the acquisition of any treasury share under authorization granted by the General Meeting or the Civil Code to the Board of Directors, decision on the acquisition of treasury shares, as well as on the acceptance of public purchase offer for treasury shares;

- q) decision on any decrease in the share capital unless otherwise stipulated by the Civil Code;
- r) decision on the exclusion of priority rights for subscription and receipt of shares;
- s) binding decision on the (i) acceptance, modification, termination of the Share Option Program for the Management (program granting options or shares to the members of the Company's Board of Directors or the Management); and on the (ii) general conditions of granting loans to the members of the Board of Directors or the Management by the Company; and on the (iii) principles and framework of the long-term remuneration and incentive system of the members of the Company's Board of Directors and Management;
- t) cancelled
- u) the acceptance of the report on corporate governance to be submitted to the Budapest Stock Exchange;
- v) decision on making any action as suitable for disturbing any public purchase offering procedure;
- z) decision on the appraisal of the performance by the members of the Board of Directors in the previous financial year, as well as on any final discharge to be granted to such members;
- (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 any matter, which, by the virtue of law or as rendered by the Articles of Corporation belongs to the exclusive competence of the General Meeting.

20. The annual ordinary General Meeting shall be held once a year, by the deadline as stipulated by the related legal regulations.

[section cancelled]

The agenda of the annual ordinary General Meeting shall invariably include:

- a) report by the Board of Directors on the activities performed by the Company in the previous financial year;
- b) report by the Board of Directors prepared in accordance with the Act on Accountancy, as well as their proposal as concerning the allocation of the profit earned and the establishment of dividends;
- c) report by the Board of Directors and the permanent Auditor on the reports prepared in accordance with the Act on Accountancy, as well as their opinion on the proposal by the Board of Directors as concerning the allocation of the profit earned and the extent of dividends;
- d) discussion of the report prepared in accordance with the Act on Accountancy, establishment of the balance sheet, decision on the allocation of the profit earned, as well as on the establishment of the dividends;
- e) decision on the remuneration to be paid to the members of the Board of Directors, as well as to the permanent Auditor;
- f) acceptance of the report on corporate governance to be submitted to the Budapest Stock Exchange;
- g) decision on the appraisal of the performance by the members of the Board of Directors in the previous financial year, as well as on any final discharge to be granted to such members;



21. Extraordinary General Meetings may be summoned by the Board of Directors in case they deem it as necessary with respect to the operations of the Company

The Board of Directors shall summon an Extraordinary General Meeting in case any previous General Meeting has decided so, or in accordance with the relevant provisions of the Civil Code, or the shareholders representing at least 1% of the votes request so in writing from the Board of Directors with the proper specification of the associated reasons and purposes.

[cancelled]

An Extraordinary General Meeting shall also be summoned if:

- a) the Court of Registration thought its decree obliges the Company to do so;
- b) the number of the members of the Board of Directors or the Audit Committee is below the minimum number stipulated in these Articles of Corporation, or there is no one who could summon the meeting of the Board of Directors;
- c) there is a need to appoint a new permanent Auditor;
- d) the Company is in the threat of insolvency, or the Company has terminated its payments, or its assets do not cover the outstanding debts any longer;
- e) due to losses, the Company's equity has dropped to the two-thirds of the share capital, or its equity does not amount to the smallest amount in comparison to the share capital as specified by the relevant legal regulations;
- f) in all and any cases affecting the Company's interests when the decision shall be made within the scope of competence of the General Meeting in accordance with these Articles of Corporation.

- 22.1. The invitation for the General Meeting shall be publicly disclosed by the Board of Directors on the Company's website, 30 (thirty) days before the date of the planned General Meeting. The Chairman of the Board of Directors and the Company's permanent auditor shall be notified on the summoning of the General Meeting with regard to the above deadline, in the form of separate invitation.

All invitations to the General Meeting and other notices shall specify at least:

- a) the name and registered seat of the Company,
- b) the venue, time and date of the General Meeting,
- c) the form of holding the General Meeting,
- d) the agenda of the General Meeting,
- e) the conditions of the exercise of voting rights as prescribed in these Articles of Corporation,
- f) the venue, time of the repeated General Meeting to be held due to the lack of quorum at the original General Meeting,
- g) the time specified in Section (1) of Article 3:273, as well as the information in relation to the provisions of in Section (2) of Article 3:273 of the Civil Code,
- h) the conditions relating to inquiries and the exercise of the right to amend the agenda of the General Meeting as set forth in these Articles of Corporation;
- i) the information relating to the time, place and method (including the address of the website of the Company) of access to the original and complete wording, texts of the proposals, draft resolutions, documents included in the agenda of the General Meeting.

On any issue not included in the agenda disclosed, the General Meeting may make a decision only if all the shareholders are present, and unanimously approve it.

The right of the shareholders to receive information regulated by the Civil Code does not involve the inspection of the corporate books or other business documentations of the Company.

- 22.2. Shareholders jointly representing at least one percent (1%) of the votes may request the Board of Directors in writing to include a certain issue into the agenda of the General Meeting, or propose a draft resolution in connection with a specific item included or to be included in the agenda.

Shareholders representing at least one percent of the votes are entitled to exercise this right within 8 days as from the publication of the disclosure on convening of the General Meeting. The Board of Directors shall publish a notice of the amended agenda, the draft resolutions put forward by the shareholders after the presentation of the given proposal to the General Meeting. The issue specified in the notice shall be deemed to have been included in the agenda.

- 22.3. The Company shall publish the substantial data of the report prepared in accordance with the Accounting Act and the material data of the report of the Board of Directors, as well as the summary data relating to the number of shares and voting right held at the time of summoning the General Meeting, the proposals in respect of the agenda items of the General Meeting, the proposals and draft resolutions of the Supervisory Board, as well as the forms to be used for voting by way of authorized representatives (unless they have been sent directly to the shareholders) on its website, at least 21 (twenty-one) days before the General Meeting.

23. The General Meeting shall be deemed to form a quorum if more than half of the voting shares are present in person or by their duly authorized representatives (shareholder's proxy). The power of attorney of the shareholder's representative needs to be notarized or incorporated into a private document with full probative power, submitted to in the place and time set forth in the invitation for the General Meeting but at the latest before the registration held prior to the General Meeting. In case any shareholder wishes so, the Company shall deliver a form of authorization to the postal or e-mail address specified by the shareholder.

Any authorization for representation shall be deemed as valid for one General Meeting or a specified period of time, but for a maximal term of 12 (twelve) months. The validity of the authorization for representation shall cover the continued session of any General Meeting suspended and repeated General Meeting summoned in the lack of quorum.

The members of the Board of Directors, the company manager, the Company's senior employees or the permanent Auditor of the Company may not act as representatives.

- 24.1. If the General Meeting does not have a quorum even in 30 (thirty) minutes after the time of commencement of the General Meeting, the repeated General Meeting to be held with the same agenda shall be convened for a date minimally ten and maximally twenty-one days following the date of the original General Meeting. The repeated General Meeting shall be deemed to have a quorum in respect of all issues put on the original agenda, irrespective of the number of shareholders being present.

- 24.2. If the General Meeting having a quorum fails to make a resolution in the subject of each agenda item, the General Meeting - by suspending itself - may make a resolution on holding a continuing General Meeting. The related resolution of the General Meeting shall specify the venue, as well as date and time of the continuing General Meeting, which may not be held later than 30 (thirty days) after the date of the original General Meeting.

The general rules shall also be applicable to the continuing General Meeting (including the rules pertaining to the quorum at any General Meeting), with the additional condition that the regulations on summoning the General Meeting and the election of the officers of the General Meeting. The continuing General Meeting is entitled to make decisions solely on those agenda items that have not been decided at the original General Meeting. Any General Meeting may be suspended only once.

25. At the General Meeting that person shall be deemed to be entitled to exercise its shareholding rights who is the owner of the certain share on the date of the identification of shareholders and its name is registered in the Register of Shares at 6.00 pm. on the second business day prior to the commencement date of the General Meeting (date of closing the Register of Shares).

The closing date of shareholder identification shall be the 5<sup>th</sup> (fifth) stock-exchange business day prior to the date of the General Meeting, or any other closing date as specified in the related regulations of KELER (or any of its legal successors). Any alienation of any share prior to General Meeting, but after the closing date of shareholder identification shall not prejudice the membership rights to be exercised at the given General Meeting.

On the basis of the data of the Register of Shares, the Company's Board of Directors shall ensure the adequate practical facilities for voting per share to the shareholders or their representatives - along their identification and their signature on the attendance sheet -at the venue of the General Meeting.

The shareholder may only exercise its right to vote after having performed its due property contribution towards the Company.

26. At the General Meeting, voting shall be primarily by voting machines (mechanical way). In any case voting by voting machines should not be feasible, voting may be conducted by voting papers as counting the votes manually. In this latter case, as proposed by the Chairman of the General Meeting, the General Meeting shall elect a committee for counting the votes. Such a committee shall consist of 3 (three) members. The committee for counting the votes shall prepare a written report on the result of voting, and such a report shall be expounded by the Chairman of the General Meeting, as well as attached to the minutes of the General Meeting.

- 27.1 The decisions by the General Meeting on the issues specified in the above Sections of V. 19. (a), (c), (d) (k), (l), (m), (q) (r), as well as in cases set forth by the related legal regulations shall be made with at least three quarter majority votes, and in other cases with the simple majority of votes. In case of equality of the votes no valid decision may be passed.

- 27.2 The General Meeting may also make any decision with a three quarter majority on the dislocation of any public purchase offer towards the acquisition of the Company's shares after such public purchase offer has been notified [(v) 19 V]. In such cases, the provisions on the exclusion or restriction of voting

rights may not be applied with the exception of excluding the voting rights relating to treasury shares. Abstentions may not be deemed as votes.

27.3 [cancelled]

28. One equity share shall entitle its holder for one vote.

29. The Prosecuting Chairman of the General Meeting shall be the Chairman of the Board of Directors. If the Chairman of the Board of Directors is prevented from fulfilling his/her duties, the Chairman of the General Meeting shall be elected by the persons being present, by the simple majority of the General Meeting, as in accordance with the proposal of the Board of Directors. The right of counter-nomination can take place. Any nominee shall make a statement whether he/she is willing to undertake the title. The same procedure applies to the election of persons being responsible for counting the votes and the shareholder (shareholder's representative) being responsible for certifying the minutes of the General Meeting, both proposed by the Chairman of the General Meeting.

30. The Chairman of the General Meeting shall open the General Meeting, establish whether the General Meeting forms a quorum, appoint the person being responsible for keeping the minutes of the General Meeting, conduct discussions, grant and withdraw word, order any break, make up proposed resolutions, ordain voting and expound the results thereof, as well as proclaim the resolutions of the General Meeting, ensure the keeping of the minutes of the General Meeting and the maintenance of the attendance register, and finally close the General Meeting.

31. Minutes shall be prepared about the General Meeting in accordance with the related provisions of the Civil Code.

## VI

### BOARD OF DIRECTORS

32. Instead of Management Board and Supervisory Board, the institution of the Board of Directors shall operate at the Company performing unified management system and attend the duties of Management Board and Supervisory Board specified by law. The Board of Directors within the framework of the tasks of Management Board determines the Company's strategic principles, as well as supervises operations by the Management.

33. The Board of Directors shall consist of at least five – except where it is otherwise required in the Articles of Corporation concerning the enforcement of the participation of employees – but maximum eleven major, independent natural persons not restricted in their capacities required for the performance of their activities, and not falling within the scope of the causes of exclusion and conflicts of interests, elected by the General Meeting for a definite or an indefinite period of time. The Chairman of the Board of Directors shall be elected by the Members of the Board of Directors among themselves. The Member of the Board of Directors acting as the Chief Executive Officer (see Section VI.38) shall be appointed by the Members of the Board of Directors among themselves.

34. The majority of the Members of the Board of Directors shall be independent persons. Any Member of the Board of Directors shall be deemed as an independent person if he/she has no other legal relations with the Company, but membership in the Board of Directors, or such legal relations that belong to the scope of the Company's activities, and are based on the transactions satisfying the needs of the given member of the Board of Directors. Any Member of the Board of Directors shall not be deemed as an independent person, in particular if
- a) he/she used to be or is the employee of the Company, for a term of five years following the termination of this legal relation;
  - b) he/she is involved in expert activities or other activities combined with agency status for or on behalf of the Company or its senior officers against remuneration;
  - c) he/she is such a shareholder of the Company who directly or indirectly holds at least thirty percent of the votes, or he/she is a close relative [Section 1.1) of Article 8:1 of the Civil Code] or spouse of such a person;
  - d) *he/she is a close relative or spouse of any – not independent – senior officer or senior employee of the Company;*
  - e) if the Company is operated profitably, he/she is entitled to receive any benefit from the assets of the Company on the basis of the membership in the Board of Directors, or apart from the remuneration for the membership in the Board of Directors he/she receives any remuneration from the Company or any enterprise associated with the Company;
  - f) he/she is in such legal relations with any not independent member of the Company's Board of Director in any other business entity on the basis of which the not independent member has management, controlling rights;
  - g) he/she is the independent, permanent auditor of the Company, or the member, employee of the Company's permanent auditor for three years following the termination of this legal relation;
  - h) he/she is a senior officer or senior employee in such a business entity whose independent member of the Board of Directors at the same time acts as a senior officer of the Company.
35. Upon the acceptance of the appointment at the latest, in writing or in the minutes of the General Meeting each person appointed to act as a Member of the Board of Directors shall make a declaration on the fact whether he/she is deemed to be an independent person under the above rules.
36. Members of the Board of Directors are:
- Mr. Balázs Bokorovics (place of residence: H-3533 Miskolc, Árvíz utca 2/a. 6.2; mother's name: Magdolna Jakupcsó)
- Mr. Dénes Gyimóthy (place of residence: SK-94501 Komarno, M.R. Stefanika 2/9., Slovakia; mother's name: Antónia Ruppert)
- Mr. Attila Juhász (place of residence: H-2251 Tápiószecső, Kossuth Lajos u. 4.; mother's name: Julianna Borsik)
- Mr. István Töröcskei (place of residence: H-1125 Budapest, Kútvölgyi út 24/B. 1.4.; mother's name: Ilona Jaeger)
- Mr. Csaba Major (place of residence: H-1025 Budapest, Áfonya utca 9/A. 2a.; mother's name: Katalin Jolán Várkonyi)
- Mrs. Katalin Gyimóthy (place of residence: H-8223 Balatonalmádi, Somfa u. 4.; mother's name: Katalin Ilona Koncz)
- Mrs. Lilla Martonfalvay (place of residence: H 2462 Martonvásár, Zrínyi u. 8.; mother's name: Rozália Márkus)

37. The Board of Directors shall determine its own rules of procedure with the additional condition that the Board of Directors shall constitute a quorum only if the majority of the current Directors of the Board are present.
38. Scope of competence of the Board of Directors:
- a) elaboration and acceptance of proposals for the issues belonging to the exclusive competence of the General Meeting as in accordance with Section V.19 of these Articles of Corporation, as well as the submittal of such proposals to the General Meeting;
  - b) attending the keeping of the Company's books, ensuring the correctness of the financial and accounting reports;
  - c) decisions and measures on issues that do not belong to the exclusive competence of the General Meeting, and rendered to the Board of Directors' scope of competence by the Articles of Corporation, as well as by the related acts and other legal regulations;
  - d) decision on the Company's annual and medium-term plans;
  - e) election of the Chief Executive Officer (see Section VI. 38), as well as the establishment of the Chief Executive Officer's scope of competence and emoluments with the proper observation of the scope of competence of the General Meeting;
  - f) decision on the registration of any new shareholder in the Register of Shares if they have not entrusted any organization with the keeping of the Register of Shares;
  - g) obligation to receive any purchase offer for all the Company's shares on behalf of the Company's shareholders, as well as to make an opinion thereon, and make a proposal on thereon to the shareholders stating whether such an offer may be deemed as fair and acceptable, or as serving the Company's best interests;
  - h) as authorized by the General Meeting, decision on any increase of the share capital by issuing new shares or as from the Company's assets in excess of the share capital;
  - i) entitlement and obligation to modify the Articles of Corporation in the event of any increase of the share capital, as well as entitlement to modify the Articles of Corporation as concerning the Company's name, seat, business sites, branch offices and scope of activities (except for the core activity);
  - j) decision on the acquisition of treasury shares under the related authorization of the General Meeting, as well as in case it is necessitated (i) by the intention to avoid serious damages directly threatening the Public Company Limited by Shares or (ii) any related requirement stipulated in the Civil Code without the authorization of the General Meeting;
  - k) decision on the payment of interim dividends;
  - l) decision on accepting any interim balance sheet, acquiring treasury shares, paying interim dividends or increasing the share capital from the assets in excess of the share capital;
  - m) decision on the issue of convertible bonds or employee's shares on the basis of the authorization of the General Meeting;
  - n) establishment of strategic principles and participation in the elaboration of the strategy, establishment of business and financial plans, major capital expenditure, control over the implementation of property acquisition and capital withdrawal, establishment of succession policy in the management;
  - o) formulation of company objectives, as well as the supervision and monitoring of the accomplishment of such objectives;
  - p) establishment of the remuneration principles for the Management with the proper observation of the scope of competence of the General Meeting (Section V.19.s), the supervision of

Management activities and taking the appropriate measures as necessary, the execution share option program operated at the Company;

- q) handling conflicts of interests, elaboration of the Company's Ethical Code;
  - r) establishment of risk management principles to ensure the proper mapping of risk factors, as well as the appropriateness of internal control mechanisms, as well as the related regulatory and supervisory system to handle such risks, guarding legal compliance;
  - s) elaboration of the mechanism for the nomination of the members to the Board of Directors, making proposals on the emoluments of the members;
  - t) formulation of principles as concerning the transparency of the Company's operations and the disclosure of material corporate information, as well as the supervision of the observance of such principles;
  - u) continuous supervision and monitoring of the efficiency as concerning the actual practice of business management;
  - v) contacting with the shareholders on the appropriate level and with proper frequency;
  - w) preparation of the report on corporate governance to be submitted to the Budapest Stock Exchange, the propoundment of the same to the Annual Ordinary General Meeting, and the publication of the relevant resolution of the General Meeting at the Company's website;
  - x) conclusion of the contract to be made with the permanent auditor – as drafted by the Audit Committee [Section 46.3)c of the Articles of Corporation] –, review of the reports prepared in accordance with Act on Accountancy, as well as the proposals of the Board of Directors on the division of the profit and the establishment of dividends, compilation of a written report thereon to the General Meeting;
  - y) summoning any extraordinary General Meeting, as well as making proposals on its agenda whenever the Board of Directors opines that the activities of the Management are in conflict with any legal regulation, the Articles of Corporation or resolutions of the General Meeting, or be otherwise to the detriment of the interests of the Company or its shareholders;
  - z) performing the duties of the Supervisory Board as stipulated in the relevant legal regulations;
  - aa) preparation of a report for the General Meeting at least once a year in relation to the management, the financial status and business policy of the Company;
  - bb) performing other duties as stipulated in the relevant legal regulations.
39. The head of the Company's labor organization shall be the member of the Board of Directors acting as the Chief Executive Officer exercising the employer's rights over the Company's employees. These powers of the Chief Executive Officer may be transferred to the Company's senior officers on a case-by-case basis or for a specified scope of administrative tasks as in accordance with the related legal regulations. If the Chief Executive Officer performs such a function in an employment relationship, it shall be the Board of Directors that exercises the employer's rights over the Chief Executive Officer.
40. Resolutions by the Board of Directors shall be made by a simple majority. The Board of Directors' prior approval is required for all and any legal matters involving on the one hand (i) the Company or (ii) any of its subsidiaries, and (i) on the other hand the Members of the Board of Directors or (ii) any managers authorized to put corporate signature or their close relative (Section 1.1 of Article 8:1 of the Civil Code), or (iii) such companies or senior managers thereof that have granted any income belonging to the scope of taxation or social security contributions to a member to the Board of Directors, to a manager authorized to put corporate signature or to any of their close relatives, or that are under the majority influence of these persons as defined in Article 8:2 of the Civil Code. The Member of the Board of Directors concerned is obliged to inform the Board of Directors promptly on his/her

involvement in the given matter as after he/she has become aware of the conclusion of the agreement or any actions relating thereto. The Member of the Board of Directors concerned may not vote on that matter.

## VII

### AUDIT COMMITTEE

41. From among the independent members of the Board of Directors, the General Meeting shall elect an Audit Committee of at least three (3) members. At least one member of the Audit Committee shall have specialized qualification on accounting or auditing.
42. The Audit Committee's scope of competence shall cover:
- a) giving an opinion on the report prepared in accordance with the Act on Accountancy;
  - b) monitoring of the statutory auditing of the annual and consolidated reports;
  - c) making a proposal on the person and remuneration of the permanent Auditor;
  - d) drafting the contract to be concluded with the permanent Auditor;
  - e) monitoring, review of the enforcement of the professional requirements and rules on the conflicts of interests against the permanent Auditor, with respect to additional services rendered to the Company, the fulfilment of tasks in relation to the cooperation with the permanent Auditor, as well as making proposals on measures to be taken by the Board of Directors as required;
  - f) evaluating, controlling the operation of the financial reporting system, and making proposals on the required measures;
  - g) monitoring the process of financial reporting
  - h) assistance to the work of the Board of Directors for the purpose of the proper control of the financial reporting system.
43. The Members of the Audit Committee shall be:
- Mr. Attila Juhász (place of residence: H-2251 Tápiószecső, Kossuth Lajos u. 4.; mother's name: Julianna Borsik)
- Mr. István Töröcskei (place of residence: H-1125 Budapest, Kútvölgyi út 24/B 1.4.; mother's name: Ilona Jaeger)
- Mr. Csaba Major (place of residence: H 1025 Budapest, Áfonya utca 9/A. fsz.2. a; mother's name: Katalin Várkonyi)

44. [cancelled]

45. [cancelled]

46. [cancelled]

## VIII

### PERMANENT AUDITOR

- 47.1. The permanent Auditor shall be elected for a term of 1 (one) year by the General Meeting from among the individual auditors or auditing organizations licensed or registered in Hungary.



47.2. The Company's permanent Auditor shall be:

**name of the company:** Venilia Vellum Könyvvizsgáló és Adótanácsadó Kft.  
**registered seat:** H-1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.  
**company registration number:** 01-09-566797  
**registration number at the Chamber:** 000340

Person being responsible for auditing activities:

**name:** Rózsa Bukri  
**name at birth:** Rózsa Bukri  
**mother's name:** Rozália Kamrás  
**place of residence:** H-1026 Budapest, Szilágyi Erzsébet fasor 79., ground floor 3.  
**registration no. at the Chamber:** 001130  
**title from:** 27 April 2018  
**title until:** 30 April 2019

48. The nominee for the permanent Auditor shall be proposed by the Audit Committee in writing, and such a proposal shall be put forward by the Prosecuting Chairman of the General Meeting electing the permanent Auditor. In case the nominee of the Audit Committee for the permanent Auditor should not be elected by the General Meeting, the Audit Committee is obliged to make another nomination for the permanent Auditor.

49. Tasks of the Auditor:

- a) supervision of the Company's corporate books;
- b) drafting reports to the General Meeting on examining the proposal made by the Board of Directors concerning the Company's reports prepared as in accordance with the Act on Accountancy, the allocation of the profits and the establishment of the dividends;
- c) exercising other powers and performing other tasks as stipulated by the related legal regulations.
- d) mandatory reporting to the Audit Committee in relation to key issues arising in the course of the audit, and particularly any material deficiency in internal controlling in connection with the financial reporting.

If the permanent Auditor detects such a change in the Company's properties and assets that jeopardizes the satisfaction of claims against the Company, or observes any circumstance that involves the liabilities of senior officers for their activities performed in their respective offices, without fail the permanent Auditor shall initiate and propose to the management to take the measures required for decision-making by the shareholders. If this initiative remains ineffective, the permanent Auditor shall notify the company registry court exercising judicial supervision over the Company of the revealed circumstances

## IX

### CORPORATE SIGNATURE ON BEHALF OF THE COMPANY

50. Corporate signature on behalf of the Company can be exercised by the following persons:

- a) the Member of the Board of Directors acting as the Chief Executive Officer individually;
  - b) the Chairman of the Board of Directors individually;
  - c) any two Members to the Board of Directors (as apart from the Chairman of the Board of Directors and the Chief Executive Officer) jointly;
  - d) any of the Members to the Board of Directors (as apart from the Chairman of the Board of Directors and the Chief Executive Officer) jointly with the Company's employee duly authorized by the Board of Directors; and
  - e) two of the Company's employees duly authorized by the Board of Directors jointly.
51. Corporate Signature on behalf of the Company shall be exercised in such a way, that the person(s) authorized to sign on behalf of the Company write their own names under the Company's pre-written, pre-printed or printed name according to the specimen signatures certified by the public notary.
52. [cancelled]
53. This regulation on putting corporate signature shall not apply to the legal representation directly based on legal regulation, including the application of the individual power of signature.

## X.

### APPROVAL OF THE BALANCE SHEET, ALLOCATION OF THE PROFITS, FINANCIAL YEAR

54. The Company's financial year shall last from 1 January to 31 December.
55. At the end of each financial year, a balance sheet of the Company, as well as a consolidated balance sheet in relation to the Group shall be prepared. The balance sheets shall be prepared both in English and Hungarian.
- 56.1. From the share capital, no dividend or interest to the shareholders may be ensured or paid.
- 56.2. Any shareholder is entitled to receive such a ratio being proportionate to the nominal value of the shareholder's share (dividend) from that Company's profit which can be distributed under the relevant legal regulations and is ordered to be distributed by the General Meeting. The General Meeting shall decide upon the payment of such dividends simultaneously with the approval of the related report prepared in accordance with the Act on Accountancy, and proposed by the Board of Directors. Any dividend to be paid to the shareholder may as well be settled in the form of non-cash property allocation.
- 56.3. Any person is entitled to receive dividends only if the person has been identified as a shareholder in the course of the shareholder identification prior to the General Meeting deciding on the payment of the associated dividends. The closing date of such shareholder identification carried out in connection with the payment of dividends may not take place earlier than the 5<sup>th</sup> (fifth) business day following the date of the General Meeting (or any other date specified by the currently effective regulations of Budapesti Értéktőzsde Zrt. [Budapest Stock Exchange Ltd.]. for this purpose).
57. The right to receive any dividend shall lapse in 5 (five) years as after the due date thereof.

58. The Company may not pay any dividend on its treasury shares, and may not take the dividend on the treasury shares into account when establishing the share to be granted to shareholders entitled to receive dividends. Any dividend shall become due on the date of the Annual Ordinary General Meeting in a manner that at least a period of 10 (ten) business days should elapse from date of the resolution by the General Meeting providing for the starting date for the disbursement of the dividends to the starting date of the actual disbursement of such dividends.
59. The Company may disburse all and any dividends exclusively by bank transfer. The Company shall perform such a bank transfer to a shareholder (common representative) or the person(s) duly designated by the shareholder to the bank account or client account specified by the shareholder.
- 60.1. Dividends may not entail any interest payment obligations for the Company.
- 60.2. In the period between the approval of two successive reports prepared in accordance with the Act on Accountancy, under the relevant conditions specified in the Civil Code, the General Meeting of the Company – upon the proposal of the Board of Directors – is entitled to make a resolution on the payment of interim dividends. Instead of the General Meeting, the Board of Directors also has the right to pass a resolution on the payment of interim dividends. The payment of any interim dividend shall be properly governed – with the respective differences defined in the Civil Code – by the regulations on the payment of dividends.

## XI

### PUBLIC NOTICES

61. The Company shall disclose its public notices on its own website ([www.pannergy.com](http://www.pannergy.com)) and the website of the Budapest Stock Exchange. In cases so defined by the relevant legal regulations and these Articles of Corporation, the Company shall also disclose certain public notices in Cégközlöny, as well. The disclosure of such public notices on the Company's website shall fulfill all and any other disclosure obligations in cases when the relevant legal regulations and other associated rules permit such disclosures.

## X

### MISCELLANEOUS PROVISIONS

62. All and any legal disputes arising from these Articles of Corporation between the shareholders and the Company shall be subject to the exclusive jurisdiction of the competent Tribunal Court of Budapest.
63. These Articles of Corporation shall be governed by Hungarian law. In all and any issues not discussed or not fully regulated in these Articles of Corporation, Act CXX of 2001 on Capital Market and the Civil Code of Hungary – in this order – shall be applicable.

Budapest, 27. April 2018

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