

PannErgy
Nyilvánosan Működő Részvénytársaság
[PannErgy
Public Company Limited by Shares]

ARTICLES OF CORPORATION

**that have been amended and set in a unified structure in accordance with Act IV of 2006
on Business Associations**

(the modifications approved on 30 April 2010 have been highlighted in italics)

I

NAME AND SEAT OF THE COMPANY

- | | | |
|------|---------------------------------------|--|
| 1.1. | Name of the Company: | PannErgy Nyilvánosan Működő 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. | Seat of the Company: | H–1117 Budapest, Budafoki út 56. |
| 3. | Branch office of the Company: | H–4001 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 act at the Company Registry Court, as well as the disclosure thereof shall be attended 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 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 reorganization being 1 June 1991.

III

SCOPE OF ACTIVITIES OF THE COMPANY

5. Pannonplast Plc. has been founded to perform the activities specified in these 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-estate properties
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
77.39 '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

Wholesale activities shall be interpreted with the exceptions specified in Appendix 1 and 2 of Decree 15/1989(Nov 07) of the Ministry of Trade.

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 registered dematerialized equity shares of HUF 20, that is twenty hundred Hungarian Forints each, representing the same and equal membership rights; such shares comprise a single series of shares.

9. [cancelled]

10. [cancelled]

11.1. [section cancelled]

[section cancelled]

In case the Company should operate in the future in a private limited form, upon submitting the limited company's Articles of Corporation to the Company Registry Court the Company shall certify that its shares are not included in the Stock Exchange Register. After any changes in the form of operation of the Limited Company has been disclosed in Cégközlöny (Companies' Bulletin), the trading of shares shall be prohibited by means of public offers for sales or purchase.

[last section cancelled]

11.2. The Company's Board of Directors or any organization commissioned by the Company's Board of Directors for the keeping of the Shareholders' Ledger (hereinafter referred to as "Other Keeper of the Shareholder's Ledger") as in accordance with the related legal regulations shall keep the Shareholders' Ledger on all and any shareholders holding shares paid up partly or in full, as well as on all and any shareholder's agents (subject to the application of this provision, hereinafter jointly referred to as the "shareholder"); the Shareholders' Ledger shall contain 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 (seat), or address of the joint agent (seat) for shares in joint holding;
- c) number of shares and provisional shares as held by the individual shareholders (or the shareholder(s) represented in the case of any shareholder's agent) (with the ratio of their respective ownership);
- d) date of the registration of the shareholder in the Shareholders' Ledger ; 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 Shareholder's Ledger is obliged to register any shareholder in the Shareholders' Ledger immediately upon the notification of the data registered in the Shareholders' Ledger as specified in Point a)–c) above by the manager of the respective securities deposit account.

11.3. The Company's shares may be transferred freely, as without any restrictions. Any person shall be deemed as a shareholder whose name has been registered in the Shareholders' Ledger. On the basis of any written agreement made with the shareholder, as the agent of the shareholder (hereinafter referred to as the "shareholder's agent"), any manager of the respective securities deposit account or clearing house is 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 may as well 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 Shareholders' Ledger as a shareholder's agent.

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

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

If the property rights of any shareholder registered in the Shareholders' Ledger (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 means of any debit on the securities deposit account, the manager of the respective securities deposit account shall notify this fact to the Company's Board of Directors or any Other Keeper of the Shareholders' Ledger within two business days as from the date of such debiting. The Company's Board of Directors or any Other Keeper of the Shareholders' Ledger shall register such a change in the Shareholders' Ledger on the basis of the notification provided by the manager of the respective securities account 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 the keeping of the Shareholders' Ledger 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]

The shareholder is entitled to inspect the Shareholders' Ledger, as well as to request any copy from the part being related to the shareholder from the Board of Directors or any Other Keeper of the Shareholders' Ledger. And such a request shall be fulfilled by the Board of Directors or any Other Keeper of the Shareholders' Ledger within five days. Third parties may as well inspect the Shareholders' Ledger.

11.5. [cancelled]

11.6. [cancelled]

11.7. [cancelled]

11.8. [cancelled]

11.9. The Board of Directors is entitled to reject or prohibit any registration to the Shareholders' Ledger, as well as to cancel or have any share cancelled from the Shareholders' Ledger promptly in case the Board of Directors has become aware of any fact that the shareholder acquired any of its shares as violating the legal regulations on shares or the rules in the Articles of Corporation pertaining to the transfer of shares.

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 in the Public Company Limited by Shares; they may exercise their related rights only by way of their representative, and shall have joint and several liability for the obligations incurred by them as shareholders.

In case any share is in joint ownership, the name of the common representative shall be registered in the Shareholders' Ledger.

[section cancelled]

16.1. When increasing the share capital by means of issuing new shares, any shareholder is obliged to pay the entire par value of such shares to the Company within one year as from the date of the registration of the associated increase of the share capital in the Company Registry. Prior to the said deadline, any shareholder is obliged to pay the par value of the respective share if the Board of Directors summons the shareholder for payment 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 the payment. The shareholder may fulfill such payment 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 par value, the related difference shall be fully paid, or any non-cash contribution of such a difference shall be made available to the Company upon the subscription of the associated shares.

[section cancelled]

16.2. [cancelled]

17.1. When increasing (privately or publicly) the Company's share capital by means of financial contribution, the Company's shareholders – in the order as specified in the currently effective legal regulations – shall have priority for the subscription and receipt of shares.

17.2 The Company's Board of Directors shall initiate the disclosure of its decision to increase the share capital by means of 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 to subscribe shares, the par 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 to subscribe shares by means of 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 par 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 par 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 as pertaining to the subscription and receipt of shares. In such cases, the Board of Directors is obliged to present in its proposal the reasons of its motion to exclude the priority rights for subscription. The Board of Directors is also obliged to put forward those advantages that the Public Company Limited by Shares would benefit from in the event of excluding the priority rights for the subscription of shares. In any other aspect, the rules for the discussion of such a proposal shall be identical to the general rules as pertaining 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 Board of Directors shall send the related resolution by the General Meeting to the Company Registry Court, and at the same time ensures the disclosure of a public notice in Cégközlöny with proper respect to the substances of the resolution.
18. [cancelled]

V

GENERAL MEETING, VOTES

19. The General Meeting shall be the supreme body of the Company, consisting of the collectivity of the shareholders.

The General Meeting shall have exclusive competence over:

- a) the establishment and modification of the Articles of Corporation unless otherwise stipulated by the Act on Business Associations, or on the basis of the authorization of that by the Articles of Corporation;
- b) the decision on the increase of the share capital by means of issuing new shares or as from the Company's assets in excess of the share capital – except for any increase of the share capital by means of issuing new shares or as from the Company's assets in excess of the share capital on the basis of the authorization granted by the General Meeting to the Board of Directors;
- c) the changes in the rights pertaining to the individual share series, as well as the conversion of share types and classes;
- d) decision on the restructuring of the Company, as well as its dissolution with no legal successor;
- e) the election, recall of the members of the Board of Directors and the Auditor, the establishment of the emoluments thereof, as well as the election of the members of the Audit Committee, establishment of the material elements of the contract to be concluded with the Auditor;
- f) the acceptance of the reports prepared as in accordance with the Act on Accountancy, including also the decision on the utilization of the 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 for the authorization granted by the General Meeting to the Board of Directors as concerning any issue of employees' shares;
- 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 pertaining 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 as concerning the form of operation of the Public Company Limited by Shares;
- n) decision on the payment of interim dividends unless otherwise stipulated by the Act on Business Associations 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 the related authorization granted by the General Meeting or the Act on Business Associations 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 Act on Business Associations;
- r) decision on the exclusion of priority rights as pertaining to the 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 upsetting of 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) decision on any issue that the related legal regulations or the Articles of Corporation render 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 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 establishment 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) establishment of the emoluments to be paid to the members of the Board of Directors, as well as to the 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 Act on Business Associations the Auditor or the shareholders representing at least 5% 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 Company Registry Court obliges the Company to do so;
- b) the number of the members of the Board of Directors or the Audit Committee drops under the minimum number stipulated in these Articles of Corporation, or there should be no one to summon the meeting of the Board of Directors;
- c) there is a need to appoint a new 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 associated decision shall be made within the scope of competence of the General Meeting in accordance with these Articles of Corporation.

- 22.1. Unless otherwise required by the Act on Business Associations, the invitation for the General Meeting shall be publicly disclosed by the Board of Directors as in accordance with the regulations pertaining to the Company's public notices in these Articles of Corporation, 30 (thirty) days before the date of the planned General Meeting. The Chairman of the Board of Directors, as well as the Company's Auditor shall be notified on the summoning of the General Meeting with regard to the above deadline, in the form of separate invitations.

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

- a) the name and 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 (2) of Article 304 of Gt., as well as the information in relation to the provisions of in Section (3) of Article 304 of Gt.;*
- 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 pertaining to the time, place and method (including the address of the website of the Company) of access to the proposals and draft resolutions 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 approve the same unanimously.

The right of the shareholders to receive information not regulated by the Act on Business Associations does not involve the inspection of the corporate books or other corporate documentations of the Company.

- 22.2. Shareholders representing at least one percent (1%) of the votes may request the Board of Directors in writing as properly specifying the related reasons to include any issue in the agenda of the General Meeting.

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 the summoning of the General Meeting. The Board of Directors is then obliged to include the motion in the agenda of the General Meeting, as well as to publish the same within 8 (eight) days in a manner being identical to that of the disclosure on the General Meeting itself.

In association with the given agenda items, shareholders having at least one percent (1%) of the votes may put forward draft resolutions, as well.

- 22.3. *The Company shall publish the material data of the report prepared in accordance with the Accounting Act and the material data 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 summary of proposals and draft resolutions connected with the agenda items of the General Meeting at least 21 (twenty-one) days before the General Meeting on its website.*

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 means of their duly authorized representatives. Such authorization for representation shall be notarized in a public instrument or fully certifying private instrument that shall be submitted to in the place and time set forth in the invitation for the General Meeting for this purpose, but for the registration prior to the General Meeting at the latest. 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 Auditor of the Company may not act as representatives.

- 24.1. *If the General Meeting does not form a quorum even in 30 (thirty) minutes after the starting time of the General Meeting, the repeated General Meeting to be held with the same agenda shall be summoned for a date within 15 (fifteen) days following the original date of the General Meeting, with the provision that at least 10 (ten) days shall elapse between the summoning of the repeated General Meeting and the date of the repeated General Meeting.* The repeated General Meeting shall be deemed to constitute a quorum as concerning the issues included in the original agenda as irrespective of the number of people being present.
- 24.2. In case any General Meeting forming a quorum fails to make a resolution in the subject of each agenda item, the General Meeting – by means of suspending its own proceedings – may make a resolution on the holding of a continued General Meeting. The associated resolution of the General Meeting shall specify the venue, as well as date and time of the continued General Meeting, which may not be held later than 30 (thirty days) after the date of the original General Meeting.

Any continued General Meeting shall be governed by the general rules with the additional condition that regulations on the summoning of the General Meeting and the election of the officers of the General Meeting shall not be applicable. The continued General Meeting has the right to make resolutions on those agenda items that have not been resolved at the original General Meeting. Any General Meeting may be suspended only once.

25. Any person shall be deemed to be entitled to exercise the related membership rights at the General Meeting in case it has been registered so in the course of the shareholder identification initiated in connection with the closing of the Shareholders' Ledger prior to the General Meeting.

The closing date of shareholder identification shall be the 5th (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 information registered in the Shareholders' Ledger, the Company's Board of Directors shall ensure proper practical facilities in the venue of the General Meeting for the shareholders or their respective agents – being obliged to confirm properly their personal identities and sign the attendance register – to vote by each share.

Any shareholder may only exercise his/her right to vote after having performed his /her due property contribution towards the Company.

26. At the General Meeting, voting shall be primarily conducted by means of voting machines (mechanical way). In any case voting by means of voting machines should not be feasible, voting may be conducted by means of 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 the counting of the votes. Such a committee shall consist of 3 (three) members. The committee for the counting of 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

the three-fourth majority of the votes cast, and in other cases with the simple majority of the votes cast. 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-fourth majority on the dislocation of any public purchase offer towards the acquisition of the Company's shares after such public purchase offer has been learnt [(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 pertaining to treasury shares. Abstentions may not be deemed as votes.

27.3 [cancelled]

28. One equity share shall entitle its holder to cast one vote.
29. The Prosecuting Chairman of the General Meeting shall be the Chairman of the Board of Directors. In the event the Chairman of the Board of Directors should be incapacitated, the Chairman of the General Meeting shall be elected by the persons being present, by means of the simple majority of the General Meeting, as in accordance with the proposal of the Board of Directors. The right of counter-nomination shall exist. 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 any 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. The minutes of the General Meeting shall be kept as in accordance with the related provisions of the Act on Business Associations.

VI

BOARD OF DIRECTORS

32. In place of the former Managing Body and Supervisory Board, the Board of Directors shall work performing unified management system and attend the duties of the former Managing Body and the Supervisory Board specified by law. The Board of Directors determines the Company's strategic principles, as well as supervises operations by the Management performing the tasks of the former Managing Body. On the basis of the Company's priority interests, with regard to the rights of the shareholders and other parties involved and to the interests of the stakeholders as far as possible, the Board of Directors shall act with proper diligence and care.
33. The Board of Directors shall consist of at least five, and – unless the Articles of Corporation do not require otherwise for the enforcement of the participation of employees – at the maximum eleven natural persons acting as the members, who shall be elected by the General Meeting for a definite or perpetual term. 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 not other legal relations with the Company, but the membership in 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 activities for or on behalf of the Company or its senior officers against remuneration within the framework of any expert or other commission relation;
- c) he/she is such a shareholder of the Company who directly or indirectly holds at least thirty percent of the votes to be cast, or the close relative [Paragraph b) of Article 685 of the Civil Code] or spouse of such a person;
- d) he/she is a close relative 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 or any other business entity wherein the given not independent member has management, controlling rights;
- g) he/she is the independent auditor of the Company, or the employee or partner of the Company, 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 is at the same time acts as a senior officer of the public limited company by shares.

Within the meaning of this Section, subsidiaries shall be all the business entities wherein the Company has at least 10 (ten) % direct or indirect control as calculated on the basis of the relevant rules of CXX of 2001 on Capital Markets.

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. Gábor Briglovics (place of residence: H-1121 Budapest, Csorma u. 1.; mother's name: Gertrúd Juhász)

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 Shareholders' Ledger if they have not entrusted any organization with the keeping of the Shareholders' Ledger;
 - 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 means of 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 Act on Business Associations 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, as well as the propoundment of the same to the Annual Ordinary General Meeting;
- x) conclusion of the contract to be made with the 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) performing other duties as stipulated in the relevant legal regulations.

39. The head of the Company's labour organization shall be the member of the Board of Directors acting as the Chief Executive Officer who shall exercise the employer's rights over the Company's employees in accordance with Section (2) of Article 28 of the Act on Business Associations. 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 attends such a function in proper labour engagement, 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. In the event of the equality of votes, it shall be the vote of the Chairman to decide. 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 on the other hand, and (i) the Members to the Company's Board of Directors or (ii) any managers authorized to put corporate signature or their close relative (§ 685 (b) 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 may be determined to have been interrelated with the Company under Article 685/B 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 acts towards this end. The Member of the Board of Directors concerned may not cast a 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.
42. The Audit Committee's scope of competence shall cover:
- a) formulation of an opinion on the report prepared in accordance with the Act on Accountancy;
 - b) making of a proposal on the person and remuneration of the Auditor;
 - c) drafting of the contract to be concluded with the Auditor;
 - d) monitoring of the enforcement of the professional requirements and rules on the conflicts of interests against the Auditor, attendance of tasks in relation to the cooperation with the Auditor, as well as making of proposals on measures to be taken by the Board of Directors as required;
 - e) evaluation of the operation of the financial reporting system, and making of proposals on the required measures;
 - f) provision of assistance to the work of the Board of Directors towards 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. Gábor Briglovics (place of residence: H-1121 Budapest, Csorna u. 1.; mother's name: Gertrúd Juhász)

44. [cancelled]

45. [cancelled]

46. [cancelled]

VIII

AUDITOR

47.1. The Auditor shall be elected for a term of 3 (three) years by the General Meeting from among the individual auditors or auditing organizations licensed or registered in Hungary.

47.2. The Company's Auditor shall be:

name of the company:	UNION-Audit Könyvvizsgáló és Tanácsadó Korlátolt Felelősségű Társaság
seat:	H-1124 Budapest, Thomán István utca 8. fszt. 5.
company registration number:	01-09-692868
registration number at the Chamber:	001927

Person being responsible for auditing activities:

name:	István Ferencné Pisták
name at birth:	Judit Rózsavölgyi
mother's name:	Mária Szabó
place of residence:	H-2083 Solymár, Gorkij u. 4.
registration number at the Chamber:	004073
Title as from:	1 May 2009
Title as to:	30 April 2011

48. The nominee for the 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 Auditor. In case the nominee of the Audit Committee for the Auditor should not be elected by the General Meeting, the Audit Committee is obliged to make another nomination for the Auditor.

49. Tasks of the Auditor:

- a) supervision of the Company's corporate books;
- b) preparation of the reports to the General Meeting on the proposal by the Board of Directors as 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 attending other tasks as stipulated by the related legal regulations.

IX

CORPORATE SIGNATURE

50. Persons authorized to put corporate signature
- 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. The Company shall be registered in a manner whereby person(s) authorized to put corporate signature shall attach their names under the Company's pre-written, pre-printed or printed name in the forms certified by the notary public as specimen signatures for the Company.
52. [cancelled]
53. This regulation on putting corporate signature shall not apply to the attendance of legal representation based on any directly applicable legal regulation, or the manner of exercising any individual power to put corporate 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 pertaining to the Company, as well as a consolidated balance sheet in relation to the Group shall be prepared. In case there should be material differences between the Hungarian Accounting Standards and the International Accounting Standards, such balance sheets shall be prepared as in accordance with both types of standards, and the profit and loss shall be accounted for in the same manner. 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 of the Company's profit that can be divided under the relevant legal regulations and is ordered to be divided by the General Meeting that is proportionate to the par values of the shareholder's share (dividend). The General Meeting shall decide upon the payment of such dividends as simultaneously with the approval of the related report prepared in accordance with the Act on Accountancy, and as 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 conducted in connection with any dividend payment may not take place earlier than the 5th (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 of such a dividend.
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 means of bank transfer. The Company shall perform such a bank transfer to a shareholder (common representative) or the person(s) duly designated by the shareholder as 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 Act on Business Associations the General Meeting of the Company 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 Act on Business Associations – 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) 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.

XII

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 Metropolitan Court of Budapest.
63. These Articles of Corporation shall be governed by the law of the Republic of Hungary. In all and any issues not discussed or not fully regulated in these Articles of Corporation, Act CXX of 2001 on Capital Market, the Act on Business Associations, as well as the Civil Code of the Republic of Hungary – in this very order – shall be applicable.

Budapest, 30 April 2010

* * *

Countersignature clause:

I, the undersigned, hereby certify that this text of PannErgy Plc's Articles of Corporation consolidated and countersigned by me in a unified structure complies with the contents of the Articles of Corporation valid on the basis of the modification approved on 30 April 2010.

These Articles of Corporation in a consolidated structure that constitute a modification of Article 36 of the Articles of Corporation under Resolution no. [•]/2010 (Apr 30), Section 47.2 of the Articles of Corporation under Resolution no. [•]/2010 (Apr 30) and Section 22.1, 22.2, 22.3 and 24.1 of the Articles of Corporation under Resolution no. [•]/2010 (Apr 30) of the General Meeting have been drafted in a consolidated structure with the given modifications highlighted in italics, and countersigned by:

Budapest, 30 April 2010

Dr. Zsolt Szita

Attorney

Dr. Zsolt Szita Law Office

H-1015 Budapest, Donáti u. 38. A lh. II. 4.