

PROPOSALS OF THE BOARD OF DIRECTORS TO THE ORDINARY GENERAL MEETING RELATING TO AGENDA ITEMS

CAPS COAF: HU20230309009205

- 1-4. Report of the Board of Directors on the Company's operations in the business year of 2022
5. Corporate Governance Report
6. Resolution on the evaluation of the work carried out by the members of the Board of Directors in the business year of 2022 and on granting the discharge they are entitled
7. Consultative vote on the Remuneration Report of the business year of 2022
8. Resolution on the remuneration of the members of the Management Board
9. Authorisation of the Management Board to acquire own shares
10. Election of the Company's auditor, the establishment of its remuneration
11. Change the registered seat of the Company
12. Election of a member of the Audit Committee
13. Amendment of the of the Company's Articles of Association in relation to agenda items no. 10-12
14. Other amendment of the Company's Articles of Association

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

KELER CAPS number: 10162



**Proposal for the annual General Meeting regarding agenda item no. 1,
“Report of the Management Board on the activities of the Company in the business
year 2022 — adoption of the report on the management, the Company’s financial
position and business policies”, and agenda items nos. 2, 3 and 4**

Report by the Management Board concerning Agenda Items nos. 1 to 4 of the General Meeting:

In the business year 2022, the PannErgy Group continued the implementation of its previously announced strategy on utilising geothermal energy resources. As a result, the subsidiaries operated the geothermal systems and utilised the available geothermal resources at the expected high technical level at all production sites, in particular in Miskolc, Győr and Szentlőrinc. The Company’s green heat sales of 1,785 TJ in 2022 significantly exceeded both the average of the previous years and the 1,699 TJ of the baseline period. The Company achieved the 2022 target of 1,752 TJ for heat volume, and even exceeded it slightly, by 2%.

The Company’s consolidated sales revenue increased significantly, by 11.0% year-on-year, with a 18.8% increase of the sales revenue of the energy division. The Company’s consolidated EBITDA amounted to HUF 3,612 million, 25.5% up year-on-year and also significantly above the EBITDA target range of HUF 3,250 to 3,350 million set for the business year 2022. The outstanding EBITDA performance was achieved partly through efficient management and partly through the return on projects continuously aimed at increasing capacity, as well as improving efficiency and operational security.

The Company closed the business year 2022 with an IFRS consolidated net profit of HUF 1,310 million.

In terms of energy potential based on weather, the year 2022 was similar to the average of the previous years. Weather slightly above the freezing point is ideal for geothermal heat sales during the heating season. In particular, the smaller the difference between the daily minimum and maximum temperatures, the better. These circumstances did occur in 2022 – slightly below the Company's expectations, yet to a sufficient degree.

In 2023, the Company intends to continue its investment projects aimed at increasing capacity and improving efficiency, as well as operational security, with the goal of expanding and making more economically efficient the utilisation of energy in the geothermal resources explored, preserving the lifetime of existing systems, and making it possible that maintenance, emergency management and repair interventions are carried out as efficiently and safely as possible. As part of the above plans, the Company intends to:

- Dig a new production well in Miskolc, depending on the availability of the related grant awarded, the evaluation of the geological data and the availability of the assets and services necessary for the investment (by the end of 2023),
- Implement comprehensive transformations intended for the mechanical adaptation of the new technologies and capacities created partly by the connection of the new production well in Miskolc,



- Carry out safety-enhancing pump replacements and renovations,
- Carry out investment to increase operating efficiency,
- Carry out research and development projects.

As a result of continuous investment activities and efficient and professional operation, the Company's projected earnings represent continuous growth. The Company hopes to enhance the services provided for its existing customers and to provide new customers with geothermal energy. The Company is continuously seeking and examining such opportunities.

The global energy crisis, which was even deeper than in the previous periods as a consequence of the war between Russia and Ukraine that broke out in 2022, as well as the emergence of extremely high and volatile raw material and energy prices are clear evidence of the special importance, even indispensability, of green energy sources independent of fossil fuels, including geothermal energy. This is particularly true for Hungary. Besides the related potential benefits for PannErgy inherent to the current geopolitical situation, the likely long-term material and economic risks could pose many direct and indirect challenges to all economic operators, including our Company.

In 2023, the Company plans to sell 1,790 TJ of heat energy. The EBITDA target for 2023 is in the range of HUF 3,950 million to HUF 4,150 million, which represents an increase of approximately 12% compared to the average of the baseline target range. These targets correspond to the targets presented in the production report for Q4 2022 published by the Company.

The quarterly breakdown of heat sales pertaining to the EBITDA plans has been presented in the Business and Management Report of the “PannErgy Nyrt. and its subsidiaries — Consolidated Financial Statements and Annual Report for 2022 in conformity with the IFRS” and in the Company's public quarterly production reports.

In 2022, the closing share price of PannErgy Nyrt. at the end of the year increased by 26.4% from HUF 1,040 per share to HUF 1,315.

With its resolution No 8/2022 (IV. 29.), the General Meeting closing the 2021 business year authorised the Management Board to purchase own shares in a value of up to HUF 600 million, at a share price of at least HUF 1 and at most HUF 1,400, for the period ending on 13 April 2023. During the authorisation period, the Management Board – taking into account the applicable legal framework – is authorised to purchase ordinary shares with a nominal value of HUF 20 up to a quantity with which the portfolio of treasury shares does not, at any time, exceed 25% of the total number of shares issued. The Company started purchasing at the Budapest Stock Exchange up to 2,200 PannErgy Nyrt. ordinary shares per day from the trading day 2 May 2022, and then 3,000 per day from 10 March 2023.

In 2022, continuing to observe with particular attention the transparency requirements on the capital market, the Company published quarterly production reports and a half-year report on its geothermal projects and overall operation. The reports have sought to disclose public information that goes beyond the statutory requirements.



For 2022, the Company prepared and published separate and consolidated statements, in accordance with the EU IFRS, containing a business and management report on the results of the work of the Management Board and the operation of PannErgy Nyrt. and the PannErgy Group, and also published several public announcements during the relevant period, the knowledge of which is also essential for assessing the performance of the Group and the work of the Management Board.

The consolidated net earnings for the reporting year in accordance with the EU IFRS is HUF 1,310 million (profit), and the balance sheet total is HUF 27,331 million.

The standalone net earnings for the reporting year in accordance with the EU IFRS is HUF 10,519,736 thousand (profit), whereas the balance sheet total is HUF 146,556 thousand.

The Company publishes extraordinary and other announcements on shareholder information in accordance with laws in force, available, inter alia, on the websites of the Company and of the Budapest Stock Exchange.

The Audit Committee at the Company has examined the Company's statements and the auditors' reports as well as the financial reporting processes in place at the Company, and deemed them acceptable.

In view of anticipated investment possibilities and needs for 2023, the necessity of holding free cash and cash equivalent assets required for safe and prudent operation, and thus of maintaining a high level of financial and operational stability while allowing for flexibility, the Management Board does not recommend dividend payments, and thus it proposes that the earnings after tax should be placed entirely in the accumulated profit reserve.

The Management Board submits the following draft resolutions of the General Meeting in connection with the published agenda items nos. 1–4.

DRAFT RESOLUTION:

Considering the report of the Management Board, the opinion of the Audit Committee and the auditor, the General Meeting accepts the report of the Management Board for 2022.

Considering the report of the Board of Directors, the opinion of the Audit Committee and the auditor, the General Meeting has accepted the Company's stand-alone (parent company), non-consolidated balance sheet, profit & loss account for 2022 as prepared in conformance to the EU IFRSs, in line with the associated proposal and the auditor's report, with an identical total value of HUF 10,519,736 thousand for assets and liabilities, and earnings after taxes, i.e. profit of HUF 146,556 thousand.



The General Meeting – considering the report of the Management Board, the opinion of the Audit Committee and the auditor – acknowledges and accepts the EU IFRS consolidated financial statements of the PannErgy Nyrt. group on its operations in 2022, showing an identical total of HUF 27,331 million for assets and liabilities (balance sheet total), and net earnings, i.e. profit of HUF 1,310 million.

The General Meeting accepts the proposal of the Management Board, according to which the Company's earnings after tax are placed entirely in the accumulated profit reserve, and thus the Company does not pay any dividends.

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**PROPOSAL AND PROPOSED RESOLUTION
ON AGENDA ITEM 5 OF THE GENERAL MEETING
"DECISION ON ADOPTING THE CORPORATE GOVERNANCE REPORT
TO BE SUBMITTED TO BUDAPEST STOCK EXCHANGE"**

The Management Board proposes to the General Meeting the following decision for Agenda Item no. 5 of the General Meeting.

DRAFT RESOLUTION:

The General Meeting adopts the Corporate Governance Report to be submitted to Budapest Stock Exchange.

* * *

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PannErgy
Public Limited Company

Responsible Corporate Governance Report
in accordance with the Responsible Corporate Governance Recommendations
of the Budapest Stock Exchange
for the Annual General Meeting of the Company closing the 2022 financial
year

Management Board of PannErgy Plc.

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

PannErgy Nyrt. (hereinafter: “the Company”) is committed to operate while observing the relevant laws, the MNB’s provisions and the stipulations of the BSE Regulations. The structure and operating conditions of the Company are set out in the Articles of Association adopted by the General Meeting. As far as responsible governance is concerned, PannErgy Plc. provides the following information.

Management Board

In lieu of a Board of Directors and a Supervisory Board, the Company has a Management Board in order to enable a consistent system of governance. The Management Board carries out the statutory functions of both the Board of Directors and the Supervisory Board. As part of its duties as the Board of Directors, the Management Board defines the Company’s strategic policies and supervises its operation.

The Management Board currently has five natural person members, elected by the General Meeting for an indefinite term of office. The Chair of the Management Board is elected by the Board members from among their number. The member of the Management Board serving as the Chief Executive Officer or Acting Chief Executive Officer is appointed by the Board members from among their number.

The Management Board takes decisions with a simple majority. It has a quorum if the majority of its current members are present. In the event of a tie, the Chairman of the Management Board shall have the casting vote.

The Management Board shall establish its own rules of procedure, containing a detailed description of its duties and procedures falling within its competence.

The Management Board shall prepare a report to the General Meeting on the Company’s management, financial position and business policy at least once a year.

The Management Board directly governs the Company and is responsible for carrying out financial duties and implementing its resolutions and decisions. The employer’s rights over the Company’s direct employees are exercised by the Acting Chief Executive Officer or the Chief Executive Officer.

The Management Board shall comprise the following members:

Dénes Gyimóthy, Chair – non-independent

Gábor Briglovics, member – independent

Katalin Gyimóthy, member – non-independent

Attila Juhász member – independent

Kálmán Rencsár member – independent

The Management Board member serving as the managing director to 11. December 2022:

Dénes Gyimóthy, Acting Chief Executive Officer

As of 12 December 2022, the CEO duties are performed by István Jaksa.

In 2022, the Management Board met on 7 occasions, with an average participation rate of 69%, and adopted written various resolutions without a meeting.

Audit Committee

In order to ensure that the functions of the Management Board are carried out and sound decisions are made, the Company's General Meeting has elected a three-member Audit Committee out of the independent members of the Management Board.

The Audit Committee's duties include commenting on the report prepared in accordance with the IFRS, assessing the functioning of the financial reporting system, making proposals on the appointment and remuneration of the auditor, preparing the auditor's contract and carrying out the tasks related to the cooperation with the auditor. Moreover, the Audit Committee regularly monitors whether the classification of transactions between the Company and related parties was appropriate in terms of the identification, public disclosure and regular handling of significant related transactions.

The Audit Committee lays down the rules governing its operation and decision-making. In the 2022 financial year, the members of the Audit Committee were as follows:

Attila Juhász, Chair

Balázs Bokorovics, member

Gábor Briglovics, member

In 2022, the Audit Committee met on 5 occasion, at a participation rate of 100%.

Other committees

The Company does not have a nominations committee or a remuneration committee. These functions are fulfilled by the members of the Management Board as appropriate. The Company operates with a small number of staff and with a narrow scope of activities, therefore establishing various committees and management bodies offers doubtful benefits.

Auditor

The Company's auditor is elected by the General Meeting for a term of 1 year.

The Company's auditor: BLUE RIDGE AUDIT HUNGARY Kft.

The auditor is proposed by the Audit Committee; the proposal is put forward by the presiding officer of the General Meeting that elects the auditor. In the event the candidate of the Audit Committee does not get elected by the General Meeting as the Company's auditor, the Audit Committee shall nominate another person.

The auditor is responsible for auditing the Company's books, submitting a report to the General Meeting on the audit of the reports of the Company under the Accounting Act and the proposal by the Management Board on the distribution of profit and the calculation of dividends, and exercising other rights and carrying out other duties under the law.

During the 2022 financial year, the auditor carried out no activities for the Company other than auditing and the related statutory obligations.

The Company's disclosure policy

With respect to its disclosure policy, the Company acts in accordance with the applicable legislation and stock exchange rules. The Company shall publish its notices on its own website, the website of the Budapest Stock Exchange and on a website specified by the MNB. The publication of notices on the Company's website (www.pannenergy.com) shall replace all other disclosure obligations unless otherwise provided by the law and other applicable regulations.

The Company's insider trading policy

With respect to insider trading, the Company acts in accordance with the applicable legislation and stock exchange rules. It has an Insider Trading Policy regulating the relevant activities, and holds records on the permanent and ad hoc insiders.

Exercising shareholder rights, presence at the General Meeting

The Company's capital stock consists of 20,000,000 dematerialised registered ordinary shares of the nominal value of HUF20 (twenty) each, representing equal membership rights and constituting a single series of shares. At the General Meeting of the Company, each shareholder shall have one vote per ordinary share.

On behalf of the Company's Management Board, the entity authorised by the applicable law to keep the record of shareholders (currently the KELER Central Depository Ltd.) keeps a record of shareholders and shareholders' proxies.

Shareholder's rights may be exercised vis-à-vis the Company by any person whose name is registered in the record of shareholders. Shareholders' proxies may exercise shareholder's rights vis-à-vis the Company after they have been registered in the record of shareholders as a shareholder's proxy.

The rules of procedure related to shareholder verification requested in connection with the closing of the record of shareholders prior to the General Meeting are set out in the regulations of KELER Central Depository Ltd. as amended from time to time.

The Company's supreme body is the General Meeting, which consists of the entirety of shareholders.

An annual General Meeting must be held once a year, respecting the statutory time-limit. The agenda of the annual General Meeting shall by all means include the following:

- the report by the Management Board on the Company's business activities in the previous financial year;
- adopting the Company reports according to the EU-IFRS and a proposal by the Management Board on the distribution of profit and the calculation of dividends;
- determining the remuneration due to members of the Management Board and the auditor;
- adopting the responsible corporate governance report to be submitted to the Budapest Stock Exchange;
- adopting a decision on the evaluation of the work carried out by the members of the Management Board in the previous financial year and on granting the discharge they are entitled to.

An extraordinary General Meeting may be convened by the Management Board when it is considered appropriate for the operation of the Company.

An extraordinary General Meeting shall be convened by the Management Board if the previous General Meeting so decided and if it has been requested from the Management Board in writing by the auditor or shareholders representing at least 5% of all votes, the latter specifying the reasons for and the purposes of convening the General Meeting.

The invitation to the General Meeting shall be published by the Management Board in the manner specified for publishing the Company's notices in the Company's Articles of Association, at least 30 (thirty) days prior to the date of the proposed General Meeting.

Any invitations to and any notices regarding the General Meeting shall specify at least the Company's official name and registered office, the venue, date and time of the General Meeting, the agenda of the General Meeting, the conditions prescribed in the Company's Articles of Association of exercising voting rights and the rights to request information and to add items to the agenda of the General Meeting, and the venue and date of the General Meeting scheduled to be held repeatedly due to a lack of quorum.

Regarding issues not listed in the agenda published, the General Meeting shall not adopt a decision unless all shareholders are present and they unanimously consent to the decision.

Shareholders representing at least one percent (1%) of all votes may request the Management Board in writing to add an issue to the agenda of the General Meeting, specifying the reasons for such request, and may put forward a proposed resolution in connection with the items on the agenda.

Shareholders representing at least one percent of all votes may exercise such right within 8 days of the publication of the notice on convening the General Meeting. The Management Board shall add the proposal to the agenda of the General Meeting and publish such addition within 8 (eight) days in the same manner as the publication of the notice on the General Meeting.

The Company shall publish important data of the report under the Accounting Act and the Management Board report, a summary of proposals related to the items on the General Meeting's agenda and the proposals for resolutions, summaries of the number of shares and voting rights as at the time the General Meeting is convened and the statement on remuneration at least 21 (twenty-one) days before the date of the General Meeting.

The General Meeting shall form a quorum if shareholders representing more than fifty percent of all voting shares are present, in person or through proxy. Such power of attorney shall be issued in the form of a public document or a private document of full probative power and submitted at the place and time specified in the invitation to the General Meeting but at any rate not later than the registration before the General Meeting. Where a shareholder so prefers, the Company shall send him a power of attorney form to the postal or e-mail address specified by the shareholder.

The power of attorney shall remain valid for a single General Meeting or for a fixed term of up to 12 (twelve) months. The power of attorney shall also be valid for the continuation of a suspended General Meeting and a General Meeting that has been repeatedly convened due to a lack of quorum.

Members of the Management Board, the manager, senior executives of the Company and the Company's auditor shall not act as proxies.

In the event the General Meeting still fails to form a quorum 30 (thirty) minutes after the starting time of the General Meeting, the repeated General Meeting shall be convened, with the same agenda, for a time within 15 (fifteen) days of the date of the original General Meeting, with the proviso that the repeated General Meeting shall be convened for a day at least 10 (ten) days later than the day on which it is convened. A General Meeting repeated due to a lack of quorum shall form a quorum with regard to the issues on the agenda of the original General Meeting regardless of the number of persons attending.

At the General Meeting, a person may exercise his or her rights of membership if such person has been registered in the Company's Record of Shareholders on the basis of the shareholder verification initiated in connection with the closing of the record of shareholders prior to the General Meeting.

The date of shareholder verification shall be the 5th (fifth) stock exchange business day prior to the General Meeting unless KELER has specified a different date in its regulations as amended from time to time. Any sale of shares that takes place following the date of shareholder verification prior to the General Meeting shall be without prejudice to membership rights that may be exercised at the General Meeting in question.

On the basis of the records in the record of shareholders, the Management Board shall enable shareholders or shareholder proxies to properly exercise their voting rights by each share at the venue of the General Meeting after they have identified themselves and signed the attendance list.

Shareholders shall not exercise their voting rights unless they have paid up to the Company their contributions that have become due and payable.

Voting at the General Meeting shall be held primarily by voting papers and the manual counting of votes. In that case, the General Meeting shall elect a returning board at the proposal of the Chair of the General Meeting. The returning board shall have 3 (three) members. The returning board shall submit a written report on the result of the vote; the Chair of the General Meeting shall set forth the result and attach the report to the minutes of the General Meeting.

The presiding chair of the General Meeting shall be the Chair of the Management Board. If the Chair of the Management Board is prevented, the presiding chair of the General Meeting shall be elected by the General Meeting by simple majority on the Management Board's proposal, out of the persons present.

The Chair of the General Meeting shall open the General Meeting, determine if it forms a quorum, appoint the recorder, guide the discussion, give leave to speak and cut off speakers, order a break, draft the proposals for resolutions, order the vote and set forth its result, announce the resolutions of the General Meeting, arrange for the drafting of the minutes of the General Meeting and the attendance list and adjourn the General Meeting.

Minutes of the General Meeting shall be kept as provided for by the Civil Code.

Internal control systems

The Company has drawn up an Internal Rules of Procedure on transactions with affiliated parties to ensure the transparency of the transactions with such parties, determine the rules regarding transactions with affiliated parties to prevent them from securing advantages due to their position and appropriately safeguard the interests of PannErgy Nyrt. and non-affiliated party shareholders, including minority shareholders.

Remuneration policy

A new law entered into force on 17 July 2019 transposing the European Union's Shareholder Rights Directive II (SRD II) and facilitating the encouragement of long-term shareholder engagement over short-term risk-taking and improving transparency between public companies limited by shares and investors. Based on the stipulations of the Act LXVII of 2019 on the Encouragement of Long-term Shareholder Engagement and the Amendment of Certain Acts with the Purpose of Legal Harmonisation, the Company has prepared a detailed Remuneration Policy. According to Section 3:268(2) of the Civil Code, acting in the capacity of the General Meeting in accordance with Section 9(2) of Government Decree 102/2020 (IV.10.) on derogating provisions governing the operation of partnerships and joint-stock companies during the state of danger, the Management Board has adopted the proposed Remuneration Policy and has published it on the Company's website.

PannErgy Nyrt's Remuneration Policy is effective as of 30 April 2020.

The Management Board made the Company's Remuneration Reports for the years 2020 and 2021 available on the Company's website for a period of at least ten years, following a supportive vote of the general meeting expressing its opinion.

Statement on remuneration

The Company informs investors of the persons performing a function in its Management Board ('MB') in 2022 and the remuneration received by such persons in 2022 on the basis of such functions.

| Name | Position | Duration of performing a function in 2022 | Total remuneration received in 2022 (Gross amount) | Grounds for the remuneration |
|-----------------------------|--|---|--|------------------------------|
| MANAGEMENT BOARD | | | | |
| Balázs Bokorovics | Chair of the MB | 01.Jan.2022 – 11.Dec.2022. | HUF 2,219,286 | Remuneration of the office |
| Dénes Gyimóthy | Member of the MB, Acting Chief Executive Officer | 01.Jan.2022 – 11.Dec.2022. | HUF 1,756,667 | Remuneration of the office |
| Dénes Gyimóthy | Chair of the MB | 12.Dec.2022 – 31.Dec.2022. | HUF 130,000 | Remuneration of the office |
| Gábor Briglovics | Member of the MB | 01.Jan.2022 – 31.Dec.2022. | HUF 1,860,000 | Remuneration of the office |
| Katalin Gyimóthy | Member of the MB | 01.Jan.2022 – 31.Dec.2022. | HUF 1,860,000 | Remuneration of the office |
| Attila Juhász | Member of the MB | 01.Jan.2022 – 31.Dec.2022. | HUF 1,860,000 | Remuneration of the office |
| Lilla Marianna Martonfalvai | Member of the MB | 01.01.2020 – 11.Dec.2022 | HUF 1,764,048 | Remuneration of the office |
| Kálmán Rencsár | Member of the MB | 01.Jan.2022 – 31.Dec.2022 | HUF 1,860,000 | Remuneration of the office |
| Total: | | | HUF 13,310,001 | |

Corporate Governance Report on compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, the Company makes a statement regarding the extent to which it has implemented in its own corporate governance practice the recommendations and proposals specified in the relevant sections of the Corporate Governance Recommendations issued by the Budapest Stock Exchange Ltd., by completing the following tables.

These tables provide an overview for the investors of the extent of the compliance - by the relevant company - with certain requirements set out in the Corporate Governance Recommendations at glance, and enable easy comparison of the practices of the specific companies.

Level of compliance with the Recommendations

The Company indicates whether it follows the relevant recommendation or not, and if not, briefly explains the reasons why it did not follow that specific recommendation.

1.1.1. Does the Company have an organisational unit dealing with investor relationship management, or a designated person to perform these tasks?

Yes

No

Explanation:

1.1.2. Are the Company's Articles of Association available on the Company's website?

Yes

No

Explanation:

1.1.4. If the Company's Articles of Association allow shareholders to exercise their rights in their absence, did the Company publish the methods and conditions of doing so, including all necessary documents?

Yes

No

Explanation:

1.2.1. Did the Company publish on its website a summary document containing the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders?

Yes

No

Explanation:

1.2.2. Did the Company publish the exact date when the range of those eligible to participate in a given company event is set (record date), and also the last day when the shares granting eligibility for participating in a given company event are traded?

Yes

No

Explanation:

1.2.3. Did the Company hold its General Meetings in a manner providing for maximum shareholder participation?

Yes

No

Explanation:

1.2.6. The Company did not restrict the shareholders' right to designate a different representative for each of their securities accounts to represent them at any General Meeting. (Answer Yes, if not)

Yes

No

Explanation:

1.2.7. For proposals for the agenda items, were the Board of Directors' draft resolution and also the Supervisory Board's opinion disclosed to the shareholders?

Yes

No

Explanation: No supervisory board is operated

1.3.3. The Company did not restrict the right of its shareholders attending a General Meeting to request information, add comments and submit proposals, or set any preconditions for these with the exception of some measures taken to conduct the General Meeting in a correct manner and as intended. (Answer Yes, if not)

Yes

No

Explanation:

1.3.4. By answering the questions raised at the General Meeting, did the Company ensure compliance with the information provision and disclosure principles set out in legal and stock exchange requirements?

Yes

No

Explanation:

1.3.5. Did the Company publish on its website the answers to the questions that the representatives of the Company's boards or its auditor present at the General Meeting could not satisfactorily answer at the meeting within 3 working days following the General Meeting, or an official statement explaining why it refrained from giving answers?

Yes

No

Explanation: It did not occur in the previous business year, but its proper handling is ensured

1.3.7. Did the Chairman of the General Meeting order a recess or suggest that the General Meeting be postponed when a proposal or proposal relating to a particular issue on the agenda was submitted which the shareholders hadn't had a chance to become familiar with before the General Meeting?

Yes

No

Explanation: It did not occur in the previous business year, but its proper handling is ensured

1.3.8.1. The Chairman of the General Meeting did not use a combined voting procedure for a decision related to electing and recalling executive officers and Supervisory Board members. (Answer Yes, if not)

Yes

No

Explanation: No supervisory board is operated at the Issuer

1.3.8.2. For executive officers or Supervisory Board members, whose nominations were supported by shareholders, did the Company disclose the identity of the supporting shareholder(s)?

Yes

No

Explanation: There were no nominations by shareholders

1.3.9. Prior to discussing agenda items concerning the amendment of the Articles of Association, did the General Meeting pass a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way?

Yes

No

Explanation:

1.3.10. Did the Company publish the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting?

Yes

No

Explanation: With the exception of the minutes of the proceedings of the General Meeting, with the Company did not publish.

Section 1.5 (and related questions) repealed¹

1.6.1.1. Do the Company's publication guidelines cover the procedures for electronic, online disclosure?

Yes

No

Explanation:

1.6.1.2. Does the Company design its by considering the aspects of disclosure and the information of investors ?

Yes

No

Explanation:

1.6.2.1. Does the Company have an internal publication policy in place which covers the processing the information listed in Section of the Recommendations document?

Yes

No

Explanation:

1.6.2.2. Do the internal regulations of the Company cover the methods for the assessment of events judged to be important for publication?

Yes

No

Explanation:

1.6.2.3. Did the Board of Directors/Governing Board assess the efficiency of the publication processes?

Yes

No

Explanation: The disclosure process is directly supervised and controlled by the acting Chief Executive Officer and the Chairman of the Company's Management Board

1.6.2.4. Did the Company publish the findings of the efficiency assessment of the publication process?

Yes

No

Explanation: The process is under permanent operative supervision – no audits are conducted

1.6.3. Did the Company publish its annual company event calendar?

Yes

No

Explanation:

1.6.4. Did the Company publish its strategy, business ethics and policies regarding other stakeholders?

Yes

No

Explanation: The strategy has been published

1.6.5. Did the Company publish the career information of Board of Directors / Governing Board, Supervisory Board and management members in its annual report or on the company website?

¹ Please, refer to footnote **Hiba! A könyvjelző nem létezik..** on page 12.

Yes

No

Explanation:

1.6.6. Did the Company publish all relevant information about the internal organisation and the operation of the Board of Directors / Governing Board and the Supervisory Board, about the work of the management, the assessments of these and the changes in the current year?

Yes

No

Explanation:

1.6.8. Did the Company publish its risk management guidelines and information about its system of internal controls, the main risks and the principles for their management?

Yes

No

Explanation: As part of the Annual Report

1.6.9.1. Did the Company publish its guidelines relating to the trading of its shares by insiders?

Yes

No

Explanation: The Company and the persons deemed insiders shall act in accordance with the relevant laws and the Company's Insider Trading Policy.

1.6.9.2. Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company² in the annual report or in some other way?

Yes

No

Explanation:

1.6.10. Did the Company publish the relationship of Board of Directors / Governing Board, Supervisory Board and management members may have with third parties which could affect the operation of the Company?

Yes

No

Explanation: It has not occurred

2.1.1. Does the Company's Articles of Association contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Governing Board?

Yes

No

Explanation:

2.2.1. Does the Board of Directors / Governing Board have a rules of procedure in place defining the organisational structure, the actions for arranging for and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Governing Board?

Yes

No

Explanation:

2.2.2. Does the Company publish the procedure used for nominating Board of Directors / Governing Board members³?

Yes

No

Explanation:

² Please, refer to footnote **Hiba! A könyvjelző nem létezik.** on page 12.

³ Please, refer to footnote **Hiba! A könyvjelző nem létezik.** on page 12.

2.3.1. Does the Supervisory Board provide a detailed description of its operation and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan?

Yes

No

Explanation: No supervisory board is operated at the Issuer

2.4.1.1. Did the Board of Directors / Governing Board and the Supervisory Board hold meetings periodically at a predefined interval?

Yes

No

Explanation: Beyond the determined minimum number of meetings, meetings are summoned regularly

2.4.1.2. Did the rules of procedure of the Board of Directors / Governing Board and the Supervisory Board provide rules for the conduct of meetings that cannot be planned in advance, and for decision-making using electronic telecommunications means?

Yes

No

Explanation:

2.4.2.1. Did board members have access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting?

Yes

No

Explanation:

2.4.2.2. Did the Company arrange the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Governing Board and the Supervisory Board?

Yes

No

Explanation:

2.4.3. Do the rules of procedure provide for the regular or ad hoc participation of non-board members at respective board's meetings?

Yes

No

Explanation: There are not requirements or limitations in relation to regular attendees. Based on the usual practice of the board, employees whose invitation is justified for the discussion of the given agenda items are invited tot he board meetings.

2.5.1. Were the members of the Board of Directors / Governing Board and the Supervisory Board nominated and elected in a transparent process, and was the information about the candidates made public in due time before the General Meeting?

Yes

No

Explanation:

2.5.2. Does the composition and size of the boards comply with the principles set out in Section of the Recommendations?

Yes

No

Explanation:

2.5.3. Did the Company ensure that the newly elected Board of Directors / Governing Board and Supervisory Board members became familiar with the structure and operation of the Company and their tasks were carried out as members of the respective boards?

Yes

No

Explanation:

2.6.1. Did the Governing Board / Supervisory Board request (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals?

Yes

No

Explanation: The Corporate Responsibility Report names all the members with the indication of their independent status, which is also confirmed by the members with the approval of the report.

2.6.2. Does the Company provide information about the tools which ensure that the Board of Directors / Governing Board assesses objectively the management's activities?

Yes

No

Explanation: Only the activities of the acting Chief Executive Officer or CEO shall be evaluated directly, primarily in the basis of the Company's annual, audited economic indicators

2.6.3. Did the Company publish its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website?

Yes

No

Explanation: The Company follows the relevant statutory criteria

2.6.4. Does the Supervisory Board of the Company have any members who has held any position in the Board of Directors or in the management of the Company in the previous five years, not including cases when they were involved to ensure employee participation?

Yes

No

Explanation: No supervisory board is operated at the Issuer

2.7.1. Did members of the Board of Directors / Governing Board inform the Board of Directors / Governing Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence?

Yes

No

Explanation: It has not occurred

2.7.2. Were transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company carried out in accordance with the Company's general business practice but applying more stringent transparency rules compared to general business practice, and were they approved?

Yes

No

Explanation:

2.7.3. Did board members inform the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group?

Yes

No

Explanation: It has not occurred, and is required only for conflicts of interests

2.7.4. Did the Board of Directors / Governing Board develop guidelines for the flow of information and the management of insider information within the Company, and monitor compliance with them?

Yes

No

Explanation:

2.8.1. Did the Company create an independent internal audit function that reports directly to the Audit Committee / Supervisory Board?

Yes

No

Explanation: For case-by-case internal auditing activities, the Company relies on external, independent experts.

2.8.2. Does Internal Audit have unrestricted access to all information necessary for carrying out audits?

Yes

No

Explanation:

2.8.3. Did shareholders receive information about the operation of the system of internal controls?

Yes

No

Explanation: As part of the Auditor's Report

2.8.4. Does the Company have a function ensuring compliance (compliance function)?

Yes

No

Explanation: They are part of the different relevant departments

2.8.5.1. Is the Board of Directors / Governing Board or a committee operated by it responsible for the supervision and management of the entire risk management of the Company?

Yes

No

Explanation:

2.8.5.2. Did the relevant organisation of the Company and the General Meeting receive information about the efficiency of the risk management procedures?

Yes

No

Explanation:

2.8.6. With the involvement of the relevant areas, did the Board of Directors / Governing Board develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company?

Yes

No

Explanation: The major risks associated with the Company have been identified, and the Company shall make its decisions by considering such risks. The major risks associated with the Company are also presented in the Company's Annual Report.

2.8.7. Did the Board of Directors / Governing Board define the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives?

Yes

No

Explanation: Principles are determined, and risks are managed on the level of the operative management, which the Board of Directors monitors during its activities, and intervenes as necessary

2.8.8. Did internal control systems functions report about the operation of internal control mechanisms and corporate governance functions to the competent board at least once a year?

Yes

No

Explanation: Owing to its very small size as an organisation, the Company has constant oversight of the operation of all areas

2.9.2. Did the Board of Directors / Governing Board invite the Company's auditor in an advisory capacity to the meetings on financial reports ?

Yes

No

Explanation:

Level of compliance with the Proposals

The Company must state whether it follows the relevant proposal included in the Corporate Governance Recommendations, or not (Yes / No). The Company can also explain any derogation from it.

1.1.3. Does the Company's Articles of Association provide an opportunity for shareholders to exercise their voting rights also when they are not present in person?

Yes

No

(Explanation:)

1.2.4. Did the Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account?

Yes

No

(Explanation:) It has not been initiated

1.2.5. Does the voting procedure used by the Company ensure a clear, unambiguous and fast determination of voting results, and in the case of electronic voting, also the validity and reliability of the results?

Yes

No

(Explanation:)

1.3.1.1. Were the Board of Directors/Governing Board and the Supervisory Board represented at the General Meeting?

Yes

No

(Explanation:)

1.3.1.2. In the event the Board of Directors/Governing Board and the Supervisory Board was absent, was it disclosed by the Chairman of the General Meeting before discussion of the agenda began?

Yes

No

(Explanation:)

1.3.2.1. The Articles of Association of the Company did not preclude any individuals from receiving an invitation to the General Meetings of the Company at the initiative of the Chairman of the Board of Directors/Governing Board and being granted the right to express their opinion and to add comments there if that person's presence and expert opinion is presumed to be necessary or help provide information to the shareholders and help the General Meeting make decisions.(Answer Yes, if not)

Yes

No

(Explanation:)

1.3.2.2. The Articles of Association of the Company did not preclude any individual from receiving an invitation to the General Meetings of the Company at the initiative of shareholders requesting to supplement the agenda items of the General Meeting and from being granted the right to express their opinion and to add comments there. (Answer Yes, if not)

Yes

No

(Explanation:)

1.3.6. Does the annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation?

Yes

No

(Explanation:)

1.4.1. In line with Section, did the Company pay dividend within 10 working days to those of its shareholders who had submitted all the necessary information and documents?

Yes

No

(Explanation:)

1.6.11. Did the Company publish its information in English as well, in line with the provisions of Section

Yes

No

(Explanation:)

1.6.12. Did the Company inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly?

Yes

No

(Explanation:) The Company prepares quarterly reports on its production results and half-year reports on its financial and asset position.

2.9.1. Does the Company have in place internal procedures regarding the use of external advisors and outsourced activities?

Yes

No

(Explanation:) The Company has Internal Rules of Procedure on transactions with Affiliated Parties.

* * *

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**PROPOSAL AND PROPOSED RESOLUTION
ON AGENDA ITEM 6 OF THE GENERAL MEETING**

"DECISION ON THE EVALUATION OF THE WORK CARRIED OUT BY THE MEMBERS OF THE MANAGEMENT BOARD IN THE BUSINESS YEAR OF 2022 AND ON GRANTING THE DISCHARGE TO WHICH THEY ARE ENTITLED"

The Company, upon the request of the members of the Management Board proposes the General Meeting the following resolution for Agenda Item no. 6:

DRAFT RESOLUTION:

The General Meeting has resolved to grant the discharge defined in Section (1) of Article 3:117 of Act V of 2013 on the Civil Code and detailed in Paragraph 19.z) and 20.g) of the Company's Articles of Association to the members of the Management Board for the period starting on 30 April 2022 and ending on 14 April 2023/28 April 2023¹. By granting such discharge, the General Meeting confirms that the members of the Management Board have properly executed their management activities in the previous business year. The Company may have any claim against the members of the Management Board based on their violation of their managerial obligations in case the facts or data serving as the basis of the provision of this discharge are untrue or incomplete.

* * *

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¹ According to the date of the General Meeting



**PROPOSAL AND PROPOSED RESOLUTION
ON AGENDA ITEM 7 OF THE GENERAL MEETING
"CONSULTATIVE VOTE ON THE REMUNERATION REPORT OF THE BUSINESS YEAR OF 2022"**

The Management Board proposes to the General Meeting the following decision for Agenda Item no. 7 of the General Meeting.

DRAFT RESOLUTION:

The General Meeting supports the Remuneration Report for the business year 2022 prepared by the Management Board in accordance with Act LXVII of 2019 on the Encouragement of Long-term Shareholder Engagement and the Amendment of Certain Acts with the Purpose of Legal Harmonisation, submitted to the General Meeting for a consultative vote.

* * *

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**Remuneration Report
of PannErgy Public Limited Company
for the financial year 2022**

The Remuneration Policy of PannErgy Public Company Limited by Shares (registered office: 1117 Budapest, Budafoki út 56.; company registration number: 01-10-041618; hereinafter referred to as 'PannErgy Plc.' or 'the Company'), serving as the basis for this Remuneration Report ('Report'), entered into force on 30 April 2020, following its consultative discussion by the General Meeting.

The Company submits a Remuneration Report on an annual basis, for the first time for the financial year 2020. The purpose of the Report is to provide a comprehensive overview on the total amount of remuneration awarded in the latest financial year or due on the basis of its results, established for each manager in accordance with the Remuneration Policy, including those of the managers employed for the first time during the financial year under review.

In the financial year 2022, the following members of PannErgy Plc's Management Board acted as the Company's managers:

| Name | Position | Date of entry into office | End/termination of office |
|--------------------|-----------------------|---------------------------|-------------------------------|
| Balázs Bokorovics | Member, Chairman | 31.08.2007 | 11.12.2022 |
| Dénes Gyimóthy | Member, Vice-Chairman | 31.08.2007 | 11.12.2022 indefinite term |
| | Acting CEO | 05.05.2015 | |
| | Member, Chairman | 12.12.2022 | |
| Gábor Briglovics | Member | 16.04.2021 | indefinite term |
| Katalin Gyimóthy | Member | 28.04.2016 | indefinite term |
| Lilla Martonfalvay | Member | 28.04.2016 | 11.12.2022 |
| Attila Juhász | Member | 31.08.2007 | indefinite term |
| Kálmán Rencsár | Member | 30.04.2020 | indefinite term |

The Remuneration Policy provides that the characteristics of the remuneration of the Company's managers should reflect the Company's evolution and its risk profile. While in the previous energy transformation period certain members of the Management Board (former Board of Directors) joined an executive stock option scheme besides the fixed remuneration of the members, the shareholders decided that only a fixed remuneration shall apply for the current organic operation period.

According to the guidelines set out in the Remuneration Policy, the Company's strategic objectives are achieved mainly through the operational management, the Company's professional staff and permanent partners. Accordingly, the Company has developed a contractual relationship with its



employees and strategic partners that uses fixed and performance-based incentives, thereby facilitating the Company's business strategy, long-term interests and sustainability.

In the financial year 2022, the Company's Managers received the following remuneration:

| Name | Remuneration amount (thousand HUF) | Fixed part (%) | Variable part (%) |
|--------------------|------------------------------------|----------------|-------------------|
| Balázs Bokorovics | 2,219 | 100.00 % | 0.00 % |
| Dénes Gyimóthy | 1,887 | 100.00 % | 0.00 % |
| Gábor Briglovics | 1,860 | 100.00 % | 0,00 % |
| Katalin Gyimóthy | 1,860 | 100.00 % | 0.00 % |
| Lilla Martonfalvay | 1,764 | 100.00 % | 0.00 % |
| Attila Juhász | 1,860 | 100.00 % | 0.00 % |
| Kálmán Rencsár | 1,860 | 100.00 % | 0.00 % |

The actual remuneration fully complies with the requirements set out in the Remuneration Policy. While no performance criteria have been laid down in connection with the remuneration on the basis of the principles described above, it should be noted that the Company has achieved its EBITDA target for the financial year 2022, such value constituting the primary financial performance indicator for the Company.

During the past five years, the yearly changes in Group-level remuneration and the development of the Company's performance and the average Group-level remuneration of Company employees other than managers during such period are shown in the tables below, expressed in FTE in a manner enabling comparison:

| Financial year | EBITDA consolidated according to the IFRS (thousand HUF) | Change in EBITDA consolidated according to the IFRS from the previous financial year (thousand HUF) | Change in the average annual per capita income of managers from the previous financial year (%) | Change in the average annual per capita income of employees other than managers from the previous financial year (%) |
|----------------|--|---|---|--|
| 2015 | 1,614 | | | |
| 2016 | 1,715 | 6.28 % | -19.49 % | 2.19 % |
| 2017 | 2,241 | 30.65 % | -8.54 % | 1.95 % |
| 2018 | 2,231 | -0.45 % | 0.20 % | -0.35 % |
| 2019 | 2,666 | 19.48 % | 0.00 % | -5.75 % |
| 2020 | 2,735 | 2.60 % | 0.49 % | 28.29 % |
| 2021 | 2,878 | 5.23 % | -0.36 % | 18.93 % |
| 2022 | 3,612 | 25.50 % | -0.11 % | 22.80 % |



| Financial year | Remuneration of managers | | | Remuneration of employees other than managers | | |
|----------------|---------------------------------------|------------------------------------|---|---|------------------------------------|---|
| | Average headcount (number of persons) | Total annual income (thousand HUF) | Average annual per capita income (thousand HUF) | Average headcount (number of persons) | Total annual income (thousand HUF) | Average annual per capita income (thousand HUF) |
| 2015 * | 6.55 | 17,115 | 2,614 | 37.84 | 162,664 | 4,299 |
| 2016 | 7.36 | 15,478 | 2,104 | 23.72 | 104,200 | 4,393 |
| 2017 | 7.52 | 14,480 | 1,925 | 15.25 | 68,300 | 4,479 |
| 2018 * | 7.00 | 13,500 | 1,929 | 13.61 | 60,742 | 4,463 |
| 2019 | 7.00 | 13,500 | 1,929 | 15.41 | 64,821 | 4,206 |
| 2020 | 6.61 | 12,820 | 1,938 | 15.85 | 85,535 | 5,396 |
| 2021 | 6.71 | 12,958 | 1,931 | 16.19 | 103,908 | 6,418 |
| 2022 | 6.90 | 13,310 | 1,959 | 16.15 | 127,281 | 7,881 |

*includes the wages of permanent employees only; temporary, project-based wages have been eliminated

In the past 5 financial years, the Company's annual EBITDA has increased by 61.2%, the average per capita annual income of managers has increased by 0.2%, whereas the average per capita annual income of employees other than managers has increased by 76%.

For the financial year 2022, no shares or share options have been offered to the Company's managers.

For the financial year 2022, no variable remuneration has been determined for managers and, therefore, there is no possibility of reclaiming such remuneration.

The Remuneration Policy has been implemented in full accordance with the requirements laid down in the Policy; no exceptions have been made.

Since this is the first time the Company has drawn up a Remuneration Report, no resolution adopted by consultative vote by the General Meeting concerning the Remuneration Report for the previous financial year could be taken into consideration.

Budapest, 22 March 2023

Management Board of PannErgy Plc.

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**PROPOSAL AND PROPOSED RESOLUTION ON
AGENDA ITEM 8 OF THE ANNUAL GENERAL MEETING
"RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD"**

In association with Agenda Item 8, the Management Board proposed that the General Meeting should, from 15 April 2023/29 April 2023¹, fix the remuneration of the Chair of the Management Board in the gross amount of HUF 195,000/month, the same as in the previous year, and the remuneration of members in the gross amount of HUF 155,000/month, again the same as in the previous year.

PROPOSED RESOLUTION:

The General Meeting has established that the remuneration of the Chairperson and other members of the Management Board shall be HUF 195,000/month, and HUF 155,000/month, respectively, as of from 15 April 2023/29 April 2023¹.

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¹ According to the date of the General Meeting



**PROPOSAL AND DRAFT RESOLUTION ON
AGENDA ITEM NO. 9 OF THE ANNUAL GENERAL MEETING,
“AUTHORISATION OF THE MANAGEMENT BOARD TO ACQUIRE TREASURY SHARES (UNDER SECTION 3:223 OF THE
CIVIL CODE)”**

The Management Board proposes that the General Meeting grant authorisation to the Management Board to purchase own shares up to a value of HUF 900,000,000 (nine hundred million Forints) at a share price of at least HUF 1 and at most HUF 1,670.

The authorisation shall be valid for the period starting on 2 May 2023 and ending on 13 April 2024. The shares may be purchased solely in trading at the stock exchange.

The purchasing of treasury shares is supported, among others, by the stock exchange pricing of the Company's shares below the target price of OTP Bank Nyrt.'s analysts (HUF 1,670 per share as at 20 January 2023). The Management Board intends to implement the intensity, schedule, and extent of share purchases taking into account prudential considerations and the prevailing business opportunities, as the Group should operate safely with adequate investment and financial reserves. Reserves should provide coverage for any scheduled and unexpected or emergency investment, operation and financial expenses.

DRAFT RESOLUTION:

The General Meeting authorises the Management Board to purchase treasury shares up to an amount of HUF 900,000,000 (in words nine hundred million forints) at a share price at least HUF 1 and at most HUF 1,670.

To the extent permitted by law and considering the provisions laid down in Section 3:222(1) of the Hungarian Civil Code, the Management Board is authorised to purchase ordinary shares with a nominal value of HUF 20 (twenty forints) up to a quantity with which the portfolio of treasury shares does not exceed, at any time during the term of the authorisation, 25% of the total portfolio of shares issued.

The authorisation shall be valid for the period starting on 2 May 2023 and ending on 13 April 2024. The shares may be purchased solely in trading at the stock exchange.

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**PROPOSAL AND A PROPOSED RESOLUTION
ON AGENDA ITEM 10 OF THE ANNUAL GENERAL MEETING**

“ELECTION OF THE AUDITOR OF THE COMPANY, DETERMINATION OF HIS/HER REMUNERATION AND THE MATERIAL ITEMS OF THE CONTRACT TO BE CONCLUDED WITH HIM/HER BASED ON THE PROPOSAL OF THE AUDIT COMMITTEE”

Regarding the item 10 on the agenda, in agreement with the opinion of the Audit Committee, the Management Board proposes that the General Meeting elect the audit firm BLUE RIDGE AUDIT HUNGARY Kft. as the Company’s continuing auditor for the financial year 2023 (for the period ending 30 April 2024). The Management Board proposes that Gábor Merkel be elected as the person responsible for carrying out the audit activities.

DRAFT RESOLUTION:

The General Meeting elects as the Company’s continuing auditor for the financial year 2023 (from 15 April 2023/29 April 2023¹ to 30 April 2024)

Company data:

BLUE RIDGE AUDIT HUNGARY Korlátolt Felelősségű Társaság
Company registration number: 01-09-717568
Tax number: 13076858-2-41
Chamber of Auditors registration number: 004410
Registered office: H–1026 Budapest, Szilágyi Erzsébet fasor 79. fszt. 3.

Data of natural person:

Gábor Merkel – Auditor, Member of the Hungarian Chamber of Auditors
Chamber of Auditors membership number: 007363
Home address: H-2143 Kistarcsa, Király Andor utca 23.
Mother’s name: Mária Erzsébet Nagy
Date of birth: 15.11.1978
Tax ID: 8408601032

The Management Board has established that the maximum annual amount of the continuing auditor’s remuneration shall be HUF 7,500,000 + VAT in relation to the auditing of the stand-alone and consolidated annual reports, equally prepared in conformance to the EU IFRS. The other essential conditions of contracting with the continuing auditor shall be identical to the terms and conditions agreed earlier. The Management Board requests the Audit Committee to prepare the contract of the continuing auditor, and the Management Board to sign it.

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¹ According to the date of the General Meeting



**PROPOSAL AND DRAFT RESOLUTION
ON AGENDA ITEM NO. 11 OF THE ANNUAL GENERAL MEETING
“CHANGING THE COMPANY'S REGISTERED OFFICE”**

In connection with agenda item no. 11, the Management Board proposes that the General Meeting approve the change of the Company's registered office, based on which, starting from 1 June 2023 as the effective date, the Company's

new registered office shall be located at H-1112 Budapest, Boldizsár u. 2.

DRAFT RESOLUTION:

The General Meeting changes the registered office of PannErgy Nyrt., effective as of 1 June 2023, and the Company's new registered office shall be located at H-1112 Budapest, Boldizsár u. 2.

The General Meeting authorises the Management Board to take all the measures and make all the legal declarations necessary in connection with changing the Company's registered office, including, in particular, the notification of the Company's new registered office to the Court of Registration, within the powers of the Management Board under Article VI. 38 (i) of the Articles of Association.

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**PROPOSAL AND DRAFT RESOLUTION ON
AGENDA ITEM NO. 12 OF THE ANNUAL GENERAL MEETING,
“ELECTION OF A MEMBER OF THE AUDIT COMMITTEE”**

Under Section 3:291(2) of the Civil Code, the Audit Committee is elected by the General Meeting, from the independent members of the Supervisory Board or of the Management Board.

Considering that Benedek Balázs Bokorovics resigned from his membership on the Management Board, effective as of 11.12.2022, the termination of his membership on the Management Board requires the termination of his membership on the Audit Committee and the election of a new member of the Audit Committee, from the independent members of the Management Board.

Regarding agenda item no. 12, the Management Board proposes to the General Meeting to recall Audit Committee Member Benedek Balázs Bokorovics as of 14 April 2023 and, simultaneously, to elect Kálmán Rencsár (home address: H-6320 Solt, Posta utca 51.; mother's maiden name: Gabriella Siling) as member of the Audit Committee as of 14 April 2023 for an indefinite term.

DRAFT RESOLUTION:

Considering that Benedek Balázs Bokorovics resigned from his membership on the Management Board, effective as of 11. December 2022, under Section 3:291(2) of the Civil Code, the Management Board recalls Audit Committee Member Benedek Balázs Bokorovics (mother's name: Magdolna Jakupcsó; home address: MT 1867, Tas-Sliema [Malta], Triq Sir Arturo Mercieca 90 Stellenbosch FL 1.), effective as of 14 April 2023/28 April 2023¹, and terminates his assignment on the Audit Committee, effective as of 14 April 2023/28 April 2023.

To replace the recalled Audit Committee member, the General Meeting elects Kálmán Rencsár (domicile: H-6320 Solt, Posta utca 51.; mother's maiden name: Gabriella Siling) as member of the Audit Committee, effective as of 14 April 2023/28 April 2023 for an indefinite term.

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¹ According to the date of the General Meeting



**PROPOSAL AND PROPOSED RESOLUTION ON
AGENDA ITEM 13 OF THE ANNUAL GENERAL MEETING
"AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION IN RELATION TO AGENDA ITEM 10-12"**

This proposal of the Management Board has been drafted to initiate the amendment of the Articles of Corporation because of the election of the auditor in the framework of Agenda item no. 10 for the business year of 2023, and the election of a member of the Audit Committee in the framework of Agenda item no 12.

DRAFT RESOLUTION:

- 1. Pursuant to the Resolution no. [*/2023.(IV.14.) /[*]/2023 (IV.28)¹ of the General Meeting, The General Meeting has modified Section VIII.47.2 of the Company's Articles of Corporation as follows (highlighted in *italics* and *underlined italics*):**

"The Company's Auditor shall be:

| | |
|-------------------------------------|---|
| name of the company: | BLUE RIDGE AUDIT HUNGARY Korlátolt Felelősségű Társaság |
| registered office: | H-1026 Budapest, Szilágyi Erzsébet fasor 79. fszt. 3. |
| registered number: | 01-09-717568 |
| registration number at the Chamber: | 004410 |

Person in charge of auditing activities:

| | |
|----------------------------------|--|
| name: | Gábor Merkel |
| name at birth: | Gábor Merkel |
| mother's maiden name: | Mária Erzsébet Nagy |
| home address: | H-2143 Kistarcsa, Király Andor utca 23. |
| Registration no. at the Chamber: | 007363 |
| <u><i>title as from:</i></u> | <u><i>15 April 2023/29. April 2023.</i></u> ¹ |
| <u><i>title until:</i></u> | <u><i>30 April 2024"</i></u> |

- 2. Pursuant to the Resolution no. [*/2023.(IV.14.) /[*]/2023 (IV.28)¹ of the General Meeting, The General Meeting has modified Section VII.43 of the Company's Articles of Corporation as follows (highlighted in *italics* and *underlined italics*):**

„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. Kálmán Rencsár (place of residence: H-6320 Solt, Posta utca 51.; mother's name: Gabriella Siling)

Mr. Gábor Briglovics (place of residence: H-2483 Gárdony, Barabás Miklós utca 10.;
mother's name: Gertrúd Juhász)"

¹ According to the date of the General Meeting



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**PROPOSAL AND DRAFT RESOLUTION
ON AGENDA ITEM NO. 14 OF THE ANNUAL GENERAL MEETING,
“OTHER AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY”**

This proposal of the Management Board proposes the amendment of certain provisions of the Articles of Association due to the practice developed in the Company's operation and the change in the person and position of the Company's CEO.

DRAFT RESOLUTION:

1. The General Meeting amends the first sentence of Article V. 26 of the Company's Articles of Association as follows (amendments marked in italics, underlined):

“26. *Voting at the General Meeting can be done by voting machine (machine voting) or by ballots, by counting the votes manually.* In the latter case, the General Meeting shall elect a returning board at the proposal of the Chair of the General Meeting. The returning board shall have 3 (three) members.

The returning board shall submit a written report on the result of the vote; the Chair of the General Meeting shall present the result and attach the report to the minutes of the General Meeting.”

2. The General Meeting removes the last sentence of Article VI. 33 of the Company's Articles of Association as follows (amendments marked in italics, underlined):

“33. The Management Board shall consist of at least five and, if the Articles of Association do not provide otherwise in order to enforce employee participation, at most eleven natural person members, who are of legal age, independent, not limited in their capacity to act in the scope necessary for the performance of their activities, in whose case the grounds of exclusion or conflicts of interest mentioned in the Civil Code do not exist and who are appointed by the General Meeting for a definite or indefinite period. The Chair of the Management Board is elected by the Board members from among their number. ~~*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.*~~”

3. The General Meeting amends Article VI. 38 (e) of the Company's Articles of Association as follows (amendments marked in italics, underlined):

“38. Powers of the Management Board:

- e) appointment of the CEO (~~*see Section VI. 38*~~), determining his or her powers and remuneration while respecting the General Meeting's relevant powers”



4. The General Meeting amends Article VII. 39 of the Company's Articles of Association as follows (amendments marked in italics, underlined):

“39. The head of the Company's labour organisation is the **CEO**, who is a member of the Management Board appointed to perform CEO duties **or an employee appointed by the Management Board as CEO**, who exercises employer rights over the Company's employees. Within the framework of the law, he or she may delegate this authority to the Company's senior employees on a case-by-case basis or within a specific scope of administration. If the CEO performs this position in an employment relationship, the Management Board shall exercise the employer's rights over him or her.”

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