



TVK Plc.

MEMBER OF THE MOL GROUP

DOCUMENTS FOR THE ANNUAL GENERAL MEETING

**ANNUAL GENERAL MEETING OF
TISZA CHEMICAL GROUP
PUBLIC LIMITED COMPANY**

TO BE HELD ON APRIL 17, 2008

Date of the AGM: **April 17, 2008, 11 a.m.**

Venue of the AGM: **Danubius Health Spa Resort Margitsziget
„Magnólia” room
(1138 Budapest, Margitsziget)**

Dear Shareholder,

The Annual General Meeting of the Company was convened by the Board of Directors of TVK Plc. for April 17, 2008, 11 a.m., whose agenda is contained in the announcement published as stipulated in the by-laws. The announcement was published on 17 March 2008 on the website of the company, of the Budapest Stock Exchange, of the London Stock Exchange and of PSZÁF.

**ANNOUNCEMENT BY THE BOARD OF DIRECTORS OF TISZA CHEMICAL GROUP
COMPANY LIMITED BY SHARES ON THE CONVOCAION OF THE COMPANY'S
ORDINARY GENERAL MEETING IN 2008**

The Board of **Tisza Chemical Group Public Company Limited by Shares** (3581 Tiszaújváros, TVK-lpartelep, TVK Head Office, Lot number 2119/3 Building 136 Cg. 05-10-000065) hereby notifies its esteemed shareholders that the Company

**will hold its 2008 Ordinary Annual General Meeting
at 11:00 a.m. on (Thursday), April 17, 2008 in the „Magnolia” Room of
Danubius Health Spa Resort Margitsziget
(1138 Budapest, Margaret Island)**

The Board of Directors convokes the General Meeting with the following agenda:

1. Closing the business year 2007:
 - Report of the Board of Directors on the Company's operations during the previous business year.
 - Report of the Board of Directors on the financial reports required under the Accounting Act (parent company and consolidated in compliance with International Financial Reporting Standards) and on the related business report and its motion for the distribution of profits and the determination of dividends.
 - Reports by the Supervisory Board and by the Auditor on the financial reports required under the Accounting Act (parent company and consolidated in compliance with International Financial Reporting Standards) and on the related business report and their opinion on the motion for the distribution of profits and the determination of dividends.
 - Discussion and adoption of the financial reports required under the Accounting Act (parent company and consolidated in compliance with International Financial Reporting Standards) and on the related business report and a resolution on the distribution of profits and the determination of dividends.
 - Decision on the approval of the corporate governance declaration
2. Appointment of the Auditor, determining the Auditor's remuneration and the material terms of the Auditor's engagement.
3. Amendment of the Articles of Association regarding the exclusive competence of the General Meeting.
4. Election of members of the Board of Directors.

The General Meeting convoked for the time announced above shall **have the quorum** if attended by shareholders representing more than half of the voting shares either in person or through a proxy holding power-of-attorney.

In case the General Meeting **does not have a quorum**, the Board of Directors convokes a General Meeting repeated due to the lack of quorum with the same agenda, at the same venue, for 12.00 a.m. of the same day (April 17, 2008). The conditions of eligibility for participating in the repeated General Meeting are identical to those of the original General Meeting. The repeated General Meeting shall have a quorum for issues originally put on the agenda irrespective of the number of the shareholders present or represented.

The Board of Directors publishes the proposed resolutions relating to agenda items at the websites of the Budapest Stock Exchange, the London Stock Exchange, at the Capital Market Announcements website operated by the HFSA and at the website of the Company in line with the provisions of the Articles of Association of the Company and of the Regulations of the Budapest Stock Exchange for Listing and Continued Trading.

Conditions for participating in and voting at the General Meeting:

Shareholders are eligible for participating in and voting at the General Meeting provided (i) they hold shares at cut-off date, i.e. at the end of the settlement day on April 4, 2008, (ii) are registered in the Share Register as updated and closed by the date of the General Meeting and (iii) have registered themselves on the attendance sheet personally or by a nominee holding power of attorney. The Board of Directors closes the Share Register at 3:20 p.m. on April 9, 2008 and will accept no application for registration therein until after April 17, 2008.

To ensure that the Share Register is updated the Company will instruct KELER Zrt. to perform shareholder identification in line with its General Business Rules and Regulations. As it is the duty of a securities account manager' to have ordinary shares registered in the Share Register upon a shareholder's express instruction to that effect, the holders of TVK ordinary shares are kindly requested to contact their securities account manager to have themselves registered in the Share Register. The Company disclaims any liability for the fulfilment of instructions given to securities account managers or for any consequences arising from omissions or misrepresentation of data by a securities account manager.

Holders of ordinary shares shall have one point one hundredth (1.01) of a vote for each share with the face value of HUF one thousand and ten (HUF 1,010).

Shareholders may participate in the General Meeting in person, through a nominee in accordance with the provisions of the Act VI of 2006 on Business Associations or through a shareholder's proxy complying with the provisions of Act CXX of 2001 on the Capital Market.

Shareholders may exercise their rights at a General Meeting via a proxy. Unless otherwise provided under law, a member of the Board of Directors or the Supervisory Board, the Chief Executive Officer and senior officers of the Company and the Auditor may not act as a proxy. A Letter of Proxy shall be submitted to the Company in the form of a public document, a private document with full conclusive force or using the form received from the Company.

Shareholders wishing to grant power of attorney to a proxy using the form specified in Section 16.2 of the Articles of Association shall submit a request to that effect in a letter (mailing address: 3581 Tiszaújváros, Pf. 20.) or by email (at reszvenyiroda@tvk.hu) to the Treasury organisation of TVK Plc. The request shall accurately identify the shareholders name and (mailing or email) address to which the form can be delivered.

A power-of-attorney granted to a nominee shall be set forth in a public document or private document with full conclusive force. The right of a legal entity to sign a power-of-attorney granted to a nominee or proxy acting on behalf of legal entities operating in the territory of the Republic of Hungary shall be certified by presenting a document issued by a public register (certificate of incorporation dated no earlier than 30 days prior) and a specimen signature card.

Powers-of-attorney granted in the form of public document or private document in a foreign country shall be legalised by the Hungarian foreign representation acting in the jurisdiction where the document is issued. It is not necessary to legalise a public document made out in a foreign country if an international treaty with that country so provides or if that country is a party to the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents concluded in The Hague on October 5, 1961. In the latter case public documents must contain an authentication clause („Apostille”).

A certified Hungarian translation of documents issued in a foreign language serving to verify proxy status shall be attached in each case.

Powers-of-attorney for representation shall be valid for a general meeting or a definite period but not more than 12 months. The validity of the power-of-attorney for representation is extended to the continuation of a suspended general meeting and the general meeting convoked repeatedly because of the lack of quorum.

The Bank of New York may act as proxy for the holders of depository receipts issued pursuant to foreign law (GDR) under a power-of-attorney received from shareholders concerning the motions entertained by the General Meeting. GDR holders may obtain information on the detailed rules of procedure from the contact person at the Bank of New York (Mr. Slawek Soltowski, The Bank of New York, Depository Receipts Division, 101 Barclay Street, 22nd Floor, New York, NY 10286 USA, fax: 00/1/212/571-3050, phone: 00/1/212/815-3503, E-mail: ssoltowski@bankofny.com)

Shareholder's (proxy) rights will be verified between 9.00 and 10.30 a.m. at the venue and date of the General Meeting. To register, shareholders and proxies shall identify themselves by presenting a valid identity card or, in the case of foreign nationals, a valid passport. To be able to act at the General Meeting, a proxy must also submit a proper power-of-attorney.

The list of attendants will be closed at 10.30 a.m. on the day of the General Meeting and participation in and voting at the General Meeting shall be limited to shareholders or proxies who have registered by that time. Shareholders that arrive after the list of attendants is closed but before the General Meeting starts may attend the general meeting as audience but may not exercise the right to vote. Shareholders and their proxies are kindly requested therefore to appear in time for the registration.

Questions regarding this announcement and the status of your registration in the Share Register will be entertained by the Investor Relations Officer of the Company during the office hours of customer service, i.e. between 9.00 a.m. and 3.00 p.m. on business days. (phone: (+36 49) 522-377, e-mail: reszvenyiroda@tvk.hu).

The following announcement on adding new item to the agenda of the AGM, was published on 1 April 2008 on the website of the company, of the Budapest Stock Exchange, of the London Stock Exchange and of Hungarian Financial Services Authority.

ANNOUNCEMENT BY THE BOARD OF DIRECTORS OF TISZA CHEMICAL GROUP PUBLIC COMPANY LIMITED BY SHARES ON ADDING ITEMS TO THE AGENDA OF THE 2008 ORDINARY GENERAL MEETING OF THE COMPANY

The Board of Tisza Chemical Group Public Company Limited by Shares (3581 Tiszaújváros, TVK-lpartelep, TVK Head Office, Lot number 2119/3 Building 136 Cg. 05-10-000065) hereby notifies its distinguished shareholders that the Company will add the following items to the agenda of its 2008 ordinary AGM convened for April 17, 2008 upon a request filed under Articles 217 and 300 of Act IV of 2006 on Economic Associations (the Company Act) by MOL Hungarian Oil and Gas Public Limited Company (head office: Budapest H-1117, Október huszonharmadika u. 18., Registration number: 01-10-041683), a shareholder holding directly and indirectly 94.86% of the shares of the Company:

5. Resolution on the option to discharge executive offices of their liability as provided in Section 30 § (5) of the Company Act

Shareholder MOL Hungarian Oil and Gas Public Limited Company offers the following proposed resolution and explanation to the new agenda item 5:

I. A resolution on this agenda item requires an amendment of Section 13 of the Articles of Association of the Company as part of the deliberations on agenda item 3 of the AGM.

Resolution proposed by MOL Plc. regarding the amendment of Section 13 of the Articles of Association and the related justification:

Section 30. § (5) of the Company Act provides that the Articles of a Company may require the General Meeting to evaluate on an annual basis the work of executive officers in the previous business year, and to pass a resolution on discharging executive officers of their liability. By granting a discharge of liability, the General Meeting certifies that executive officers performed their work during the period under review by giving priority to the interests of the business association. The discharge of liability shall lose effect if a subsequent final court ruling declares the information underlying the discharge of liability false or insufficient.

Now, therefore shareholder MOL Plc. moves that the General Meeting should amend the Section 13 of the Articles of Association of the Company by altering the numbering of the section from the second sentence of the section to 13.1 and by adding a new section 13.2 as set out below:

Proposed Resolution:

Shareholder MOL Plc. proposes that the General Meeting of the Company should amend the Section 13 of the Articles of Association of the Company by altering the numbering of the section from the second sentence of the section to 13.1 and by adding a new section 13.2 as set out below (*new text in bold type*):

“13.2. The General Meeting shall place on its annual agenda the evaluation of the work of executive officers in the previous business year and shall pass a

resolution on discharging executive officers of their liability. By granting a discharge of liability, the General Meeting certifies that executive officers performed their work during the period under review by giving priority to the interests of the business association. The grant of discharge shall lose effect if a subsequent final court ruling declares the information underlying the discharge of liability false or insufficient.”

II. If the General Meeting decides to accept Section 13.2 of the Articles of Association as set out above, the GM may pass a resolution on granting a discharging of liability for the 2007 business year in a separate agenda item as proposed by MOL Plc.

The resolution proposed by shareholder MOL Plc. regarding that matter is laid out below:

Proposed Resolution:

Shareholder MOL Plc. proposes to the General Meeting to recognize and accept the work performed by the Board of Directors in the 2007 business year and to discharge directors of their liability as provided in section 30 § (5) of the Company Act.

Otherwise, the convocation of the General Meeting published on March 17, 2008 remains unchanged in every respect.

PROPOSALS FOR THE ANNUAL GENERAL MEETING

**ANNUAL GENERAL MEETING OF
TISZA CHEMICAL GROUP
PUBLIC LIMITED COMPANY**

TO BE HELD ON APRIL 17, 2008

PROPOSAL
to Item 1 of the Agenda of the 2008 Annual General Meeting

Proposals for closing the business year 2007

Item 1 on the Agenda:

- **Report of the Board of Directors on the Company's activities during the 2007 business year.**
- **Report of the Board of Directors on the statutory financial reports for 2007 (that of the parent company and the one consolidated in compliance with the international accounting standards) furthermore on the related business report and its motion for the distribution of profit and determination of the dividends.**
- **Report of the Supervisory Board and of the Auditor on the statutory financial reports for 2007 (that of the parent company and the one consolidated in compliance with the international accounting standards) furthermore on the related business report and its motion for the distribution of profit and determination of the dividends.**
- **Approval of the statutory financial reports for 2007 (that of the parent company and the one consolidated in compliance with the international accounting standards) furthermore of the related business report and resolution on the distribution of profit and determination of the dividends.**
- **Approval of the Corporate Governance Declaration.**

Report of the Board of Directors on the statutory financial reports for 2007 (that of the parent company and the one consolidated in compliance with the international accounting standards) furthermore on the related business report and its motion for the distribution of profit and determination of the dividends.

Under section 244 paragraphs (1), (2), section 231 paragraphs (2) point e), section 35 paragraph (3), section 40 paragraph (1) of the Act IV of 2006 on economic organizations, furthermore points 14. a, b, c and d, point 24.1. b. and point 26. b. of the Articles of Association, the Board of Directors submits to the General Assembly the following document containing the business report for the year of 2007:

Annual Reports on the year 2007 (that of the parent company and the one consolidated in compliance with the International Accounting Standards) and the related Business Reports on 2007.

Proposed resolution:

In possession of the opinion of the Supervisory Board and the Auditor, the Board of Directors proposes to the General Meeting to accept as the report of the Board of Directors on the Company's activity in 2007 the business report on the year 2007 on the basis of the annual reports on 2007 (that of the parent company and the one consolidated in compliance with the international accounting standards).

Approval of the statutory financial reports for 2007 (that of the parent company and the one consolidated in compliance with the international accounting standards) furthermore of the related business report and resolution on the distribution of profit and determination of the dividends.

Proposed resolution:

In compliance with the foregoing rules of law and provisions of the Articles of Association reference, the Board of Directors of the Company submits to the General Meeting the following documents containing the financial reports on the business year 2007:

1. *the documents entitled „The consolidated Financial Statement of Tisza Chemical Group Public Limited Company and TVK Plc’s subsidiary companies prepared according to the International Financial Reporting Standards for the year ending as of December 31, 2007 including the Independent Auditor’s Report”.*
2. *the documents entitled „The individual Annual Report of Tisza Chemical Group Public Limited Company prepared according to the requirements of the Hungarian Accounting Law for the year ending as of December 31, 2007 including the Independent Auditor’s Report”.*

In compliance with the foregoing rules of law and provisions of the Articles of Association reference, and in possession of the opinion of the Supervisory Board and the Auditor, the Board of Directors of the Company proposes to the General Meeting to accept:

- a. *„Tisza Chemical Group Public Limited Company’s annual report as of 2007 prepared in accordance with Hungarian statutory accounting together with independent auditor’s report” highlighted that the Company’s year 2007*
 - *Total assets amounted to HUF 218,767 million*
 - *Profit after taxation to HUF 25,594 million*
- b. *„Tisza Chemical Group Public Limited Company’s and Subsidiaries consolidated financial statements as of 31 December 2007, prepared in accordance with International Financial Reporting Standards together with the independent auditors’ report” highlighted that the Company’s year 2007*
 - *Total assets amounted to HUF 234,963 million,*
 - *Net income attributable to equity holders of the parent HUF 23,684 million.*

The Board of Directors of the Company proposes to the General Meeting to accept that HUF 8,963,321,067 is the amount of dividends payable upon the profit before tax for the year 2007 and the remaining part, HUF 16,630,701,993 should be transferred into the retained earning. The dividend payment starts on June 2, 2008.

Approval of the Corporate Governance Report

Proposed resolution:

The Board of Directors recommends to the General Meeting of the Company, that in the name of the Company approve the Corporate Governance Report issued by the Board of Directors for the business year 2007 with the following content:

TVK Group Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations

TVK attaches high priority to applying a corporate governance system that meets even the most exacting expectations. Accordingly, in response to the Guidelines of Responsible Corporate Governance issued by the Budapest Stock Exchange, TVK has disclosed its corporate governance practices in a declaration each year since 2004. The Board of Directors accepts and does its best to observe the Guidelines in the course of running the Company and its operations.

The corporate governance of TVK Plc. complies with the requirements of the Budapest Stock Exchange, the guidelines of the Hungarian Financial Supervisory Authority and the capital market regulations in effect. Furthermore TVK regularly reviews the principles it applies in order to comply with international best practices in this area of the business as well. TVK has always recognised the importance of maintaining the highest standards of corporate governance. Among other things, the voluntary approval of the declaration on the Budapest Stock Exchange Corporate Governance Recommendations by the Annual General Meeting in 2006, before the official deadline, served as testament to the Company's commitment to corporate governance. A separate section of the TVK website (www.tvk.hu) is devoted to corporate governance and is the page where the company publishes its corporate governance policy and Code of Ethics.

Board of Directors

TVK's Board of Directors acts as the highest governance body of the Company and as such has collective responsibility for all corporate operations.

The Board's key activities are focused on achieving increasing shareholder value, improving efficiency and profitability, and ensuring transparency in corporate activities. It also aims to ensure appropriate risk management, environmental protection, and conditions for safety at work.

Given that TVK and its subsidiaries effectively operate as a single unit, the Board is also responsible for enforcing its aims and policies, and for promoting the TVK culture throughout the entire Group.

The principles, policies and goals take account of the Board's specific and unique relationship with TVK's shareholders, the executive management and the Company.

The members of the Board of Directors and their independence status (professional CVs of the members are available on corporate homepage):

Name	Position	Beginning of assignment	Independence status
György Mosonyi	Chairman of the Board	26.04.2002	non-independent
Árpád Olvasó	Deputy Chairman of the Board	29.08.2000	non-independent
Michel-Marc Delcommune	Board member	03.11.2000	non-independent
Gyula Gansperger	Board member	20.04.2006	independent
Vratko Kassovic	Board member	28.04.2005	independent
Dr. Péter Medgyessy	Board member	20.04.2006	independent
József Molnár	Board member	20.04.2001	non-independent
József Simola	Board member	28.04.2005	non-independent

Operation of the Board of Directors

The Board acts and makes resolutions as a collective body.

The Board adopted a set of rules (Charter) to govern its own activities when the company was founded (on December 31, 1991); these rules are regularly updated to ensure continued adherence to best practice standards.

The Board Charter covers:

- scope of the authority and responsibilities of the Board,
- provision of information to the Board, the frequency of reports,
- main responsibilities of the Chairman and the Deputy Chairman,
- order and preparation of Board meetings and the permanent items of the agenda, and
- decision-making mechanism, and the manner in which the implementation of resolutions is monitored.

Report of the Board of Directors on its 2007 activities

In 2007, the Board of Directors held 5 meetings with an average attendance rate of 90%. Alongside regular agenda items, such as reports by the Committees' chairmen on the activities pursued since the last Board meeting, or an overview of capital market developments, the Board of Directors also individually evaluates the performance of each of the company's business units.

Committees of the Board of Directors

Certain specific tasks are carried out by the Board's Committees. These Committees have the right to approve preliminary resolutions concerning issues specified in the Decision-making and Authorities List, which sets out the division of authority and responsibility between the Board and the executive management.

- The responsibilities of the Committees are determined by the Board of Directors.
- The Chairman of the Board of Directors may also request the Committees to perform certain tasks.

The members and chairs of the Committees are elected by the Board of Directors.

Currently, the Board allocates responsibilities to the following Committee:

Finance and Audit Committee:

Members and dates of appointment (professional backgrounds of members are available on company homepage):

Name	Position	Beginning of assignment
József Molnár	Chairman	26.04.2002.
Michel-Marc Delcommune	Member	26.04.2002.
Vratko Kassovic	Member	28.04.2005.
Árpád Olvasó	Member	26.04.2002.

Responsibilities: The committee is responsible for promoting the efficiency of the Board regarding issues related to finance, risk management and financial audit as well as for matters designated to it by the Board.

Report of the Audit Committee on its 2007 activities

In 2007, the Finance and Audit Committee held 4 meetings with a 75% average attendance rate. The regular agenda items included the audit of all public financial reports, providing assistance with the auditor's work and the regular monitoring of internal audit.

Relationship between the Board and the Executive Management:

The Matrix of Decision Making Competencies (MDMC) specifies the powers and competencies delegated by the Board to the Management in an attempt to ensure the most efficient enforcement of the business, HSEQ, ethics, risk management and internal control policies specified by the Board. The objective of the MDMC is to maximise the shareholder value of the Company and to capture unambiguously the decision-making powers and competencies so as to reach operational and financial excellence.

In principle the MDMC should:

- ensure that the interests of shareholders are efficiently asserted via the Board of Directors;
- support and promote that decisions are taken more efficiently, at greater speed and uniformly at TVK Plc. level;
- ensure proper balance between the freedom of management to make decisions and the requirements of the strict internal system of governance and performance evaluation;
- guarantee that decision making competencies are assigned to levels of the organization where the largest amount of information is available to support a decision;
- guarantee proper follow-up and control;
- guarantee governance by function and business matrix at both TVK and subsidiary level.

The role of the MDMC is to "translate" corporate governance rules by capturing the key decision making point in operating the business and the related competences in the organization. Hence the MDMC identifies the major control points required for efficient process development and operation.

Senior management

Members and dates of appointment (professional backgrounds of members are available on company homepage):

Name	Position	Beginning of assignment
Árpád Olvasó	Chief Executive Officer	01.07.2003
Gyula Hodossy	Chief Financial Officer, Deputy CEO	01.07.2007
László Piry	Director of Polymer Marketing and Sales, Deputy CEO	07.06.2004
Tivadar Vályi Nagy	Production Director	01.07.2007
János Bóta	Petrochemical Technology and Project Development Manager	01.08.2007
Tamás Péntzes	Human Resources Manager	01.07.2004

Incentives provided for non-executive directors

In addition to fixed remuneration, TVK operates an incentive scheme for non-executive directors, which allows the Company to motivate its directors, supporting the continued improvement in long-term Company performance, and value of the TVK shares. In addition, the aim of the scheme is to ensure that directors' interests remain in line with the interests of the Company's shareholders. The basis of the effective incentive scheme for non-executive directors was approved by the ordinary Annual General Meeting (AGM) in 2007.

- **Fixed remuneration:**

A resolution of the Annual Ordinary General Meeting at April 19, 2007 provided that effective as of the day of the Annual General Meeting those Board members who are not employed by TVK Plc. or any other subsidiaries of MOL Group should receive the time proportionate net payment per year of their mandate as follows:

- Board members 50,000 EUR/year
- Chairman 75,000 EUR/year

- **Other benefits:**

Non resident Board members who are non – Hungarian citizens and have to travel to Hungary to attend the meetings shall receive EUR 1,500 for a maximum of fifteen meetings attended in person.

Incentive system for the top management

The Board evaluates the performance of the management of the Company individually and at company level once a year and sets the responsibilities and the related targets of achievement for management for the given period according to the system of incentives.

Operating a system of compensation and adopting practical solutions in line with the strategy of the company is a guideline for developing the structure of performance evaluation and remuneration in a way that it may be used efficiently for attaining the objectives of the Company whilst giving priority to motivating key employees in the organisation. In case of managers of the company, in all financial year, performance

goals, relevant to the business strategy are determined, and these are evaluated by the one level higher manager, in case of the senior management it is done by the CEO. Detailed information on share-based payment plans can be found in the annual report of the company, at the financial statement part.

Other fringe benefits: These include company optional benefits (Cafeteria), cars (also used for private purposes), life insurance, accident insurance, travel insurance, liability insurance, and an annual medical check up.

Supervisory Board

The Supervisory Board is responsible for monitoring and supervising the Board of Directors on behalf of the shareholders.

The Articles of Association of TVK provides that the Supervisory Board of the Company should have at least three, but no more than fifteen members. At present the Supervisory Board has five members. As provided in the Company Act, 1/3 of the members of this body include employee representatives, hence two members of the Supervisory Board of TVK represent employees and there are three non-executive members appointed by the shareholders.

The members of the Supervisory Board and their independence status (professional backgrounds of members are available on company homepage):

Name	Position	Beginning of assignment	Independence status
László Gyurovszky	SB chairman SB member	22.06.2007. 19.04.2007.	independent
Tamás Magyar	SB deputy chair SB member	22.06.2007. 20.04.2001.	non-independent (employee representative)
dr. Gyula Bakacsi	SB member	19.04.2007.	independent
dr. György Bíró	SB member	19.04.2007.	independent
Ildikó Keményné Újvári	SB member	28.04.2000.	non-independent (employee representative)

In 2007, the Supervisory Board held 5 meetings with an average attendance rate of 84%.

Remuneration of the members of the Supervisory Board

According to the resolution of the Annual General Meeting held on April 19, 2007, effective as of the day of the Annual General Meeting the Supervisory Board members should receive the net payment per month of their mandate as follows:

- Board members 1,000 EUR/year
- Chairman 1,500 EUR/year

Non resident Supervisory Board members who are non – Hungarian citizens and have to travel to Hungary to attend the meetings shall receive EUR 500 for a maximum of fifteen meetings attended in person.

Audit Committee

In 2007, the general meeting appointed the Audit Committee comprised of independent members of the Supervisory Board. The Audit Committee strengthens the independent control over the financial and accounting policy of the Company. The independent Audit Committee's responsibilities include the following activities:

- providing opinion on the report as prescribed by the Accounting Act,
- auditor proposal and remuneration,
- preparation of the agreement with the auditor,
- monitoring the compliance of the conflict of interest rules and professional requirements applicable to the auditor, co-operation with the auditor, and proposal to the Board of Directors or General Meeting on necessary measures to be taken, if necessary,
- evaluation of the operation of the financial reporting system, proposal on necessary measures to be taken, and
- providing assistance to the operation of the Supervisory Board for the sake of supervision of the financial reporting system.

Members of the Audit Committee and dates of appointment (professional backgrounds of members are available on company homepage):

Name	Position	Beginning of assignment
László Gyurovszky	AC chairman	22.06.2007.
	AC member	19.04.2007.
dr. Gyula Bakacsi	AC deputy chair	22.06.2007.
	AC member	19.04.2007.
dr. György Bíró	AC member	19.04.2007.

Report of the Audit Committee on its 2007 activities

In 2007, the Audit Committee held 3 meetings with a 89% average attendance rate. In addition to the regular items on the agenda, including the audit of all public financial reports, providing assistance with the auditor's work and the regular monitoring of internal audit, the Committee also devoted a considerable amount of time to the following topics:

- control of financial and relevant reports,
- observation of the effectiveness of internal audit system,
- ensuring the independency and objectivity of the external auditor.

Enterprise Risk Management

The goal for risk management in TVK calls for making corporate operations as secure as possible. The priorities of the risk management policy of the company involve all the risks associated with its business. The risk policy covers for instance the management of currency rate and world market price risk, as well as property, business interruption, business, liability, customer, technical, safety and environmental risks.

Since 2006, the Enterprise Risk Management (ERM) system has been used to manage risks at MOL Group level.

The ERM is a modern risk management concept that also contributes to boosting corporate value. The central idea behind the concept is the need to apply a common method and a consolidated way to calculate, manage and disclose in the reports a variety of (financial, operating and strategic) risks. During the ERM process potential

risks are identified and the risk benefit relationships of individual divisions, projects and decisions are rendered comparable, which contributes to developing a culture of risk awareness within the organization. The measurement of risks facilitates the identification of the root causes of risks and contributes to a greater awareness of different risk types. As a result, senior management can get a firmer grip on the risks that influence corporate profits the most and can determine the elements of risk to retain and the ones that require a variety of risk mitigation methods.

The ERM also sets the framework for developing business continuity plans, crisis management and other risk management activities. Preparing the framework of BCM - Business Continuity Management – besides the high operational risk branches – began at MOL Petrochemical Division, at the end of 2007, and the finish is expected in the first half of 2008. Training and pro-activity to handle unexpected operational breakdown makes shorter not only the period between breakdown commencement and operational renewal but even point to issues and areas that should be developed.

Moreover, if risk appetite is well-defined, ERM helps set up a business portfolio with optimum risk benefit features by taking risk survey results into account in the decisions on capital allocation.

The prices of the most important feedstock used by the company and the olefin and polymer products produced by TVK are pegged to the global market prices of the same products. Sales income depends heavily on the position of the HUF in the band of intervention, i.e. the EUR/HUF rate, whilst purchases are determined first of all by the USD rate.

In 2007, TVK did not conclude any forward, option or other derivative transactions to hedge against exchange rate risk. The loan taken out by the company was denominated in EUR to reduce the exchange rate risk.

The company had no open foreign exchange futures positions on December 31, 2007.

The company covers most of its trade accounts receivable with credit insurance to mitigate liquidity risk and it carefully examines the conditions of the prospective customer and assesses whether or not the conditions for continuous payment are given before signing a new contract.

External auditors

The auditor is elected by the General Meeting of TVK.

Arthur Andersen acted as the auditor of TVK between 1999 and 2002 as was followed by Ernst & Young Könyvvizsgáló Kft. in the same role in 2003. The Ordinary General Meeting held on April 20, 2005 elected Ernst & Young Könyvvizsgáló Kft. once again as auditor of the Company and an agreement was concluded for auditing the annual reports closing the business year of 2006. The engagement is in force until the conclusion of the Ordinary Annual General Meeting held in 2007 to decide on the approval of the 2006 annual reports.

The audit agreement provides that Ernst & Young Kft. should audit the consolidated and non-consolidated annual reports drawn up under the Accounting Act and the consolidated and non-consolidated annual reports drawn up under International Financial Reporting Standards (IFRS, formerly IAS). The aforementioned financial statements have been audited as required by National Audit Standards, International

Standards of Auditing and the provisions of the Accounting Act and any other acts and laws on auditing. The auditors ensure the continuous nature of performing the audit assignment by working on site and by participating at the meetings of key TVK bodies as well as through other forms of consultation.

Furthermore, the auditor reviews the quarterly stock exchange flash report but issues no auditor's statement, as flash reports are not fully audited.

Ernst & Young Kft. also delivered other services to TVK Plc. In 2006, during the annual audit, Ernst & Young Kft. made the data of TVK's Hungarian and foreign subsidiaries supplied to the consolidation to be supervised by the local office. In 2007, this supervision was made only in case of the Hungarian subsidiaries as in case of the foreign subsidiaries the operational process became significantly simplified, therefore the control of the accounting process was made by the Accounting department of the company.

Fees Paid to Auditors, 2006-2007 (HUF million)

	2006	2007
Fee for the audit of TVK Plc.	35.0	37.9
Other audit related services	21.7	6.5
Tax advisory services	8.7	2.6
Total	65.4	47.0

The Board of Directors do not think that any of the services rendered by Ernst & Young Kft. under the aforementioned titles jeopardise its independence as auditor.

Relationship with the shareholders

The Board is aware of its commitment to represent and promote shareholders' interests, and recognises that it is fully accountable for the performance and activities of the TVK Group. To help ensure that the Company can meet shareholders' expectations in all areas, the Board continually analyses and evaluates developments, both in the broader external environment as well as at an operational level.

Formal channels of communication with shareholders include the Annual Report and Accounts and the quarterly results reports, as well as other public announcements made through the Budapest Stock Exchange (primary exchange) and the London Stock Exchange. Regular and extraordinary announcements are published on PSZÁF (Hungarian Financial Supervisory Authority) publication site and on TVK's homepage. In addition, presentations on the business, its performance and strategy are given to shareholders at the Annual General Meeting and extraordinary General Meetings. Furthermore, investors are able to raise questions or make proposals at any time during the year, including the Company's General Meeting. Investor feedbacks are regularly reported to the Board of Directors.

TVK's Investor Relation specialist is responsible for the organisation of the above activities as well as for the day-to-day management of TVK's relationship with its shareholders (contact details are provided in the company's homepage). Extensive information is also made available on TVK's website (www.tvk.hu), which has a dedicated section for shareholders and the financial community.

TVK Group is committed to the fair marketing of publicly-traded securities. Insider dealing in securities is regarded as a criminal offence in most of the countries in which

we carry out business. Therefore, we require not only full compliance with relevant laws, but also the avoidance of even the appearance of insider securities trading and consultancy.

TVK Group employees:

- should not buy or sell shares in TVK or any other company while in possession of insider information,
- should not disclose insider information to anyone outside the company, without prior approval,
- should be careful, even with other TVK Group employees, should disclose insider information to a co-worker when they have permission to do so and if it is necessary to do their job,
- should protect insider information from accidental disclosure.

Exercise of shareholders' rights, general meeting participation

Voting rights on the general meeting can be exercised based on the voting rights attached to shares held by the shareholders. Every ordinary share entitles the holder thereof to have one and one hundredth vote. The actual voting power depends on how many shares are registered by the shareholders participating in the general meeting.

A condition of participation and voting at the general meeting for shareholders is that the holder of the share(s) shall be registered in the Share Register. The depositary shall be responsible for registering the shareholders in the Share Register pursuant to the instructions of such shareholders in line with the conditions set by the general meeting invitation.

The conditions to participate in the general meeting are published in the invitation to the general meeting. Invitations to the general meeting are published on company homepage. The ordinary general meeting is usually held in late April, in line with the current regulation.

The ordinary general meeting, based on the proposal of Board of Directors approved by the Supervisory Board, shall have the authority to determine profit distribution, i.e. the amount of the profit after taxation to be reinvested into the Company and the amount to be paid out as dividends. Based upon the decision of the general meeting, dividend can be paid in a non-cash form as well.

The starting date for the payment of dividends shall be defined by the Board of Directors in such way as to ensure a period of at least 10 working days between the first publication date of such announcement and the initial date of dividend distribution. Only those shareholders are entitled to receive dividend, who are registered in the share register of the Company on the basis of shareholders identification executed on the date published by the Board of Directors in the announcement on the dividend payment. Such date relevant to the dividend payment determined by the Board of Directors may deviate from the date of general meeting deciding on the payment of dividend.

Enclosure:

Corporate Governance Declaration on Compliance with the Corporate Governance Recommendations

Corporate Governance Declaration on Compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, by completing the following tables, the Board of Directors of Tisza Chemical Group Public Limited Company (the „Company”) declares to what extent it applied in its own practice of corporate governance the recommendations and suggestions formulated in the different points of the Corporate Governance Recommendations published by the Budapest Stock Exchange Ltd. By reviewing the tables, market participants may receive information on the extent to which the corporate governance practice of different companies meets certain requirements included in the CGR, and may easily compare the practices of the different companies.

Level of compliance with the Recommendations

The company should indicate whether it applies the relevant recommendation or not, and in the case of a negative answer, it should provide the reasons for not applying the given recommendation.

R 1.1.1 The Managing Body ensured that shareholders received access to information in time to enable them to exercise their rights.

Yes (Complies)

No (Please explain)

R 1.1.2 The company applies the "one share - one vote" principle.

Yes (Complies)

No (Please explain)

Note: According to the item 17.6 Articles of Associations, every ordinary share with a par value of HUF 1,010 (i.e. one thousand ten forint) entitles the holder thereof to have one and one hundredth vote.

R 1.2.8 The company ensures that shareholders must meet the same requirements in order to attend at the general meeting.

Yes (Complies)

No (Please explain)

R 1.2.9 Items on the general meeting agenda only include subjects which are correctly detailed and summarized clearly and unambiguously.

Yes (Complies)

No (Please explain)

The proposals included the suggestions of the Supervisory Board and a detailed explanation of the effects of the decision.

Yes (Complies)

No (Please explain)

The proposals included the explanation of the effects of the decision. Though the Supervisory Board analyses all proposals, which fall within the exclusive scope of authority of the Company's General Meeting, it submits written report on the proposals, which are not part of the proposed resolutions.

R 1.2.10 Shareholders' comments on and supplements to the items on the agenda were published at least two days prior to the general meeting.

Yes (Complies)

No (Please explain)

Note: In 2007, there were no shareholders' comments on and supplements to the items on the agenda.

R 1.3.8 Comments on the items of the agenda were made available to shareholders simultaneously with registration at the latest.

Yes (Complies)

No (Please explain)

Written comments made on the items on the agenda were published two working days prior to the general meeting.

Yes (Complies)

No (Please explain)

In 2007, there were no shareholders' comments on and supplements to the items on the agenda.

R 1.3.10 The election and dismissal of executives took place individually and by separate resolutions.

Yes (Complies)

No (Please explain)

R 2.1.1 The responsibilities of the Managing Body include those laid out in 2.1.1.

Yes (Complies)

No (Please explain)

R 2.3.1 The Managing Body held meetings regularly, at times designated in advance.

Yes (Complies)

No (Please explain)

The Supervisory Board held meetings regularly, at times designated in advance.

Yes (Complies)

No (Please explain)

The rules of procedure of the Managing Body provide for unscheduled meetings and decision-making through electronic communications channels.

Yes (Complies)

No (Please explain)

The rules of procedure of the Supervisory Board provide for unscheduled meetings and decision-making through electronic communications channels.

Yes (Complies)

No (Please explain)

R 2.5.1 The Management Board of the company has a sufficient number of independent members to ensure the impartiality of the board.

Yes (Complies)

No (Please explain)

R 2.5.4 At regular intervals (in connection with the CG Report) the Managing Body requested a confirmation of their independent status from those members considered independent.

Yes (Complies)

No (Please explain)

Members of the Board made declaration of their independence at the time of their appointment. Following this date, they are obliged to notify the company if there is a change in their status.

R 2.5.5 At regular intervals (in connection with the CG Report) the Supervisory Board requested a confirmation of their independent status from those members considered independent.

Yes (Complies)

No (Please explain)

Members of the Supervisory Board made declaration of their independence at the time of their appointment. Following this date, they are obliged to notify the company if there is a change in their status.

R 2.5.7 The company disclosed on its website the guidelines on the independence of the Managing Body and the Supervisory Board, as well as the criteria applied for assessing independence.

Yes (Complies)

No (Please explain)

The company did not disclose on its website the guidelines on the independence and the criteria applied for assessing independence of the Managing Body and the Supervisory Board. The company adapts the Company Act rules relevant to the independency.

R 2.6.1 Members of the Managing Body informed the Managing Body (Supervisory Board/Audit Committee) if they (or any other person in a close relationship to them) had a significant personal stake in a transaction of the company (or the company's subsidiary).

Yes (Complies)

No (Please explain)

R 2.6.2 Transactions between board and executive management members (and persons in close relationship to them) and the company (or its subsidiary) were conducted according to general rules of practice of the company, but with stricter transparency rules in place.

Yes (Complies)

No (Please explain)

Transactions which according to 2.6.2, fell outside the normal course of the company's business, and their terms and conditions were approved by the Supervisory Board (Audit Committee).

Yes (Complies)

No (Please explain)

The supervisory board (audit committee) deals with the tasks, defined in its rules of procedures. Transactions which fell outside the normal course of the

company's business, and their terms and conditions were approved as according to the conditions defined in the MOL Group's Matrix of Decision Making Competencies (MDMC) .

R 2.6.3 Board members informed the Supervisory Board/Audit Committee if they received an offer of Board membership or an offer of an executive management position in a company which is not part of the company group.

Yes (Complies)

No (Please explain)

According to the charter of the Board of Directors, a member of the Board of Directors informs the Board of Directors, if he/she receives an offer of Board membership or an offer of an executive management position in a company which is not part of the company group. However, Members of the Supervisory Board made declaration if of their they received an offer of Board membership or an offer of an executive management position in a company which is not part of the company group. Following this date, they are obliged to notify the company if there is a change in their status. The company discloses in every year the actual professional backgrounds of members on company homepage and annual report.

R 2.6.4 The Managing Body established its guidelines on information flow within the company and the handling of insider information, and monitored compliance with those guidelines.

Yes (Complies)

No (Please explain)

The Managing Body established its guidelines regarding insiders' trading in securities and monitored compliance with those guidelines.

Yes (Complies)

No (Please explain)

R 2.7.1 The Managing Body formulated remuneration guidelines regarding the evaluation and remuneration of the work of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies)

No (Please explain)

The Supervisory Board formed an opinion on the remuneration guidelines.

Yes (Complies)

No (Please explain)

The guidelines regarding the remuneration for the Managing Body and the Supervisory Board and the changes in those guidelines were approved by the general meeting, as a separate item on the agenda.

Yes (Complies)

No (Please explain)

R 2.7.2 The Managing Body prepared an evaluation of the work it carried out in the given business year.

Yes (Complies)

No (Please explain)

The Supervisory Board prepared an evaluation of the work it carried out in the given business year.

Yes (Complies)

No (Please explain)

The Supervisory Board continuously evaluates its operation. Moreover, the report of the Supervisory Board includes a general evaluation on the work of the Supervisory Board.

R 2.7.3 It is the responsibility of the Managing Body to monitor the performance of and determine the remuneration for the executive management.

Yes (Complies)

No (Please explain)

It is the responsibility of the Board of Directors to monitor the performance of and determine the remuneration for the CEO. It is the responsibility of the CEO and the II. Level managers to monitor the performance of and determine the remuneration for the management.

The frameworks of benefits due to members of the executive management that do not represent normal practice, and the changes in those benefits were approved by the general meeting as a separate agenda item.

Yes (Complies)

No (Please explain)

It is the responsibility of the Board of Directors to monitor the performance of and determine the remuneration for the CEO. It is the responsibility of the CEO and the II. Level managers to monitor the performance of and determine the remuneration for the management.

R 2.7.4 The structure of share-incentive schemes were approved by the general meeting.

Yes (Complies)

No (Please explain)

Prior to the decision by the general meeting on share-incentive schemes, shareholders received detailed information (at least according to those contained in 2.7.4).

Yes (Complies)

No (Please explain)

R 2.7.7 The Remuneration Statement was prepared by the company and submitted to the general meeting.

Yes (Complies)

No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report.

The Remuneration Statement includes information about the remuneration of individual members of the Managing Body, the Supervisory Board, and the executive management.

Yes (Complies)

No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report.

R 2.8.1 The Managing Body or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.

Yes (Complies)

No (Please explain)

The Managing Body requests information on the efficiency of risk management procedures at regular intervals.

Yes (Complies)

No (Please explain)

The Managing Body took the necessary steps to identify the major risk areas.

Yes (Complies)

No (Please explain)

R 2.8.3 The Managing Body formulated the principles regarding the system of internal controls.

Yes (Complies)

No (Please explain)

The system of internal controls established by the executive management guarantees the management of risks affecting the activities of the company, and the achievement of the company's performance and profit targets.

Yes (Complies)

No (Please explain)

R 2.8.4 When developing the system of internal controls, the Managing Body took into consideration the viewpoints included in 2.8.4

Yes (Complies)

No (Please explain)

R 2.8.5 It is the duty and responsibility of the executive management to develop and maintain the system of internal controls.

Yes (Complies)

No (Please explain)

R 2.8.6 The company created an independent Internal Audit function which reports to the Audit Committee.

Yes (Complies)

No (Please explain)

The Internal Audit reported at least once to the Audit Committee on the operation of risk management, internal control mechanisms and corporate governance functions.

Yes (Complies)

No (Please explain)

R 2.8.7 The internal audit activity is carried out by the Internal Audit function based on authorisation from the Audit Committee.

Yes (Complies)

No (Please explain)

The Internal Audit reports to the Board of Directors and to the Audit Committee yearly at least once.

As an organisation, the Internal Audit function is independent from the executive management.

Yes (Complies)

No (Please explain)

Internal Audit is not independent from the operative management, it is directly under the CEO. However, the Internal Audit reports to the Board of Directors and to the Audit Committee yearly at least once.

R 2.8.8 The Internal Audit schedule was approved by the Managing Body (Supervisory Board) based on the recommendation of the Audit Committee.

Yes (Complies)

No (Please explain)

Internal Audit schedule was submitted to the Board of Directors and Audit Committee as an information.

R 2.8.9 The Managing Body prepared its report for shareholders on the operation of internal controls.

Yes (Complies)

No (Please explain)

The Managing Body developed its procedures regarding the receipt, processing of reports on the operation of internal controls, and the preparation of its own report.

Yes (Complies)

No (Please explain)

R 2.8.11 The Managing Body identified the most important deficiencies or flow in the system of internal controls, and reviewed and re-evaluated the relevant activities.

Yes (Complies)

No (Please explain)

R 2.9.2 The Managing Body, the Supervisory Board and the Audit Committee were notified in all cases when an assignment given to the auditor may have resulted in significant additional expense, caused a conflict of interest, or affected normal business practices significantly in any other way.

Yes (Complies)

No (Please explain)

R 2.9.3 The Managing Body informed the Supervisory Board of any assignment given to the external auditor or an external advisor in connection with any event which held significant bearing on the operations of the company.

Yes (Complies)

No (Please explain)

The Managing Body pre-determined in a resolution what circumstances constitute "significant bearing".

Yes (Complies)

No (Please explain)

R 3.1.6 On its website, the company disclosed duties delegated to the Audit Committee, the Nomination Committee and the Remuneration Committee, as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies)

No (Please explain)

R 3.2.1 The Audit Committee monitored the efficiency of risk management, the operation of internal controls, and the activity of the Internal Audit.

Yes (Complies)

No (Please explain)

R 3.2.3 The Audit Committee received accurate and detailed information on the work schedule of the Internal Auditor and the independent auditor, and received the auditor's report on problems discovered during the audit.

Yes (Complies)

No (Please explain)

R 3.2.4 The Audit Committee requested the new candidate for the position of auditor to submit the disclosure statement according to 3.2.4

Yes (Complies)

No (Please explain)

R 3.3.1 There is a Nomination Committee operating at the company.

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company. The Board of Directors manages issues related to the Nomination Committee.

R 3.3.2 The Nomination Committee provided for the preparation of personnel changes.

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

The Nomination Committee reviewed the procedures regarding the election and appointment of members of the executive management.

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

The Nomination Committee evaluated the activity of board and executive management members.

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Managing Body.

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

R 3.4.1 There is a Remuneration Committee operating at the company.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company. The Board of Directors manages issues related to the Remuneration Committee.

R 3.4.2 The Remuneration Committee made a proposal for the system of remuneration for the boards and the executive management (individual levels and the structure of remuneration), and carries out its monitoring.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.4.3 The remuneration of the executive management was approved by the Managing Body based on the recommendation of the Remuneration Committee.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

The remuneration of the Managing Body was approved by the general meeting based on the recommendation of the Remuneration Committee.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines and the remuneration of individual persons.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.4.7 The majority of the members of the Remuneration Committee are independent.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.5.1 The Managing Body disclosed its reasons for combining the Remuneration and Nomination Committees.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee or Nomination Committee operating at the company.

R 3.5.2 The Managing Body carried out the duties of the Remuneration and Nomination Committees and disclosed its reasons for doing so.

Yes (Complies)

No (Please explain)

The duties of the Remuneration and Nomination Committees are carried out by the Board of Directors, but did not disclosed its reasons for doing so.

R 4.1.1 In its disclosure guidelines, the Managing Body established those principles and procedures which ensure that all relevant information about the operations of the company and circumstances influencing its share price are disclosed and made available accurately, in a timely fashion and in full.

Yes (Complies)

No (Please explain)

R 4.1.2 The company ensured in its disclosure activities that all shareholders and market participants were treated equally.

Yes (Complies)

No (Please explain)

R 4.1.3 The company's disclosure guidelines include the procedures governing electronic, on-line disclosure.

Yes (Complies)

No (Please explain)

The company develops its website taking into consideration disclosure guidelines and the provision of information to investors.

Yes (Complies)

No (Please explain)

R 4.1.4 The Managing Body assessed the efficiency of disclosure processes.

Yes (Complies)

No (Please explain)

R 4.1.5 The company published its corporate events calendar on its website.

Yes (Complies)

No (Please explain)

R 4.1.6 In the annual report and on the website of the company, the public was informed about the company's corporate strategy, its main business activities, business ethics and its policies regarding other stakeholders.

Yes (Complies)

No (Please explain)

R 4.1.8 In the annual report the Managing Body disclosed the character and size of any other assignments given by the company or its subsidiaries to the auditing firm responsible for auditing the financial statements.

Yes (Complies)

No (Please explain)

R 4.1.9 In the annual report and on the website the company discloses information on the professional career of the members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies)

No (Please explain)

R 4.1.10 The company provided information on the internal organisation and operation of the Managing Body and the Supervisory Board and on the criteria considered when evaluating the work of the Managing Body, the executive management and the individual members thereof.

Yes (Complies)

No (Please explain)

The company provided information on the internal organisation and operation of the Managing Body and the Supervisory Board and on the criteria considered when evaluating the work of the Managing Body, the executive management. There was no information on the criteria considered when evaluating individual members.

R 4.1.11 In the annual report and in the Remuneration Statement on the company's website, the company informed the public about the applied remuneration guidelines, including the remuneration and fees provided for members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies)No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report.

R 4.1.12 The Managing Body disclosed its risk management guidelines, including the system of internal controls, the applied risk management principles and basic rules, as well as information about major risks.

Yes (Complies)

No (Please explain)

R 4.1.13 In order to provide market participants with information, the company publishes its report on corporate governance at the same time that it publishes its annual report.

Yes (Complies)

No (Please explain)

R 4.1.14 The company discloses its guidelines governing insiders' trading in the company's securities on its website.

Yes (Complies)

No (Please explain)

The company published in the annual report and on its website ownership in the company's securities held by the members of the Managing Body, the Supervisory Board and the executive management, as well as any interests held in share-incentive schemes.

Yes (Complies)

No (Please explain)

R 4.1.15 In the annual report and on its website, the company disclosed any relationship between members of the Managing Body and the executive management with a third party, which might have an influence on the operations of the company.

Yes (Complies)

No (Please explain)

Level of compliance with the Suggestions

The company should indicate whether the relevant suggestion of the CGR is applied or not (Yes / No)

S 1.1.3 The company has an investor relations department.

Yes No

At the Treasury Department one employee deals with investor relations issues.

S 1.2.1 The company published on its website the summary document regarding the conducting of the general meeting and the exercise of shareholders' rights to vote (including voting via proxy)

Yes No

S 1.2.2 The company's articles of association are available on the company's website.

Yes No

S 1.2.3 The company disclosed on its website information according to 1.2.3 (on the record date of corporate events).

Yes No

S 1.2.4 Information and documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website.

Yes No

S 1.2.5 The general meeting of the company was held in a way that ensured the greatest possible shareholder participation.

Yes No

S 1.2.6 Additions to the agenda were published within 5 days of receipt, in the same manner as the publication of the original invitation for the general meeting.

Yes No

S 1.2.7 The voting procedure applied by the company ensured unambiguous, clear and fast decision making by shareholders.

Yes No

S 1.2.11 At the shareholders' request, the company also provided information on the general meeting electronically.

Yes No

S 1.3.1 The identity of the chairman of the general meeting was approved by the company's general meeting prior to the discussion of the items on the agenda.

Yes

No

S 1.3.2 The Managing Body and the Supervisory Board were represented at the general meeting.

Yes

No

S 1.3.3 The company's articles of association render possible that at the initiation of the chairman of the Managing Body or the shareholders of the company, a third party be invited to the company's general meeting and be granted the right of participation in the discussion of the relevant items on the agenda.

Yes

No

S 1.3.4 The company did not prevent shareholders attending the general meeting from exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so.

Yes

No

The company has not made any further requirements above those set by the law.

S 1.3.5 The company published on its website within three days its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer it published its reasons for doing so.

Yes

No

S 1.3.6 The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with.

Yes

No

S 1.3.7 The company published a press release and held a press conference on the decisions passed at the general meeting.

Yes

No

S 1.3.11 The company's general meeting decided on the different amendments of the articles of association in separate resolutions.

Yes

No

S 1.3.12 The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions

and answers regarding the draft resolutions were published by the company within 30 days of the general meeting.

Yes

No

Excerpts from the minutes were published on the website of the Budapest Stock Exchange (in Hungarian) 32 days after the general meeting.

S 1.4.1 The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.

Yes

No

The dividend was paid on the starting day of dividend payment to those shareholders who had provided all the necessary information and documentation. Following this date, dividend is paid monthly to those shareholders providing the necessary documentation.

S 1.4.2 The company disclosed its policy regarding anti-takeover devices.

Yes

No

S 2.1.2 The rules of procedure define the composition of the Managing Body and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.

Yes

No

S 2.2.1 The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed.

Yes

No

S 2.3.2 Board members had access to the proposals of a given meeting at least five days prior to the board meeting.

Yes

No

S 2.3.3 The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the boards.

Yes

No

S 2.4.1 The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.

Yes

No

The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at the general meeting.

S 2.4.2 The composition of boards and the number of members complies with the principles specified in 2.4.2

Yes

No

S 2.4.3 Newly elected, non-executive board members were able to familiarize themselves with the structure and operations of the company, as well as their duties as board members through a tailored induction programme.

Yes

No

S 2.5.2 The separation of the responsibilities of the Chairman of the Managing Body from those of the Chief Executive Officer has been outlined in the basic documents of the company.

Yes

No

S 2.5.3 The company has published a statement about the means it uses to ensure that the Managing Body gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.

Yes

No

S 2.5.6 The company's Supervisory Board has no member who held a position in the Managing Body or the executive management of the company in the three years prior to his nomination.

Yes

No

S 2.7.5 The development of the remuneration system of the Managing Body, the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.

Yes

No

S 2.7.6 In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price.

Yes

No

S 2.8.2 The Managing Body developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations.

Yes

No

S 2.8.10 When evaluating the system of internal controls, the Managing Body took into consideration the aspects mentioned in 2.8.10

Yes

No

S 2.8.12 The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the executive management, and submitted its report on the matter to the Audit Committee.

Yes

No

During the audit process the audit reviews and analyses the risk management system and the efficiency of the risk management operations for its own purposes, but it does not issue a report on such audits to any external party (e.g. Audit Committee).

S 2.9.1 The rules of procedure of the Managing Body, the Supervisory Board and the committees cover the procedure to be followed when employing an external advisor.

Yes

No

S 2.9.4 The Managing Body may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.

Yes

No

S 2.9.5 The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.

Yes

No

S 3.1.2 The chairmen of the Audit Committee, Nomination Committee, Remuneration Committee (and any other committees operating at the company) regularly inform the Managing Body about the meetings of the committee, and the committees prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

Yes

No

S 3.1.4 The company's committees are made up of members who have the capabilities, professional expertise and experience required to perform their duties.

Yes

No

S 3.1.5 The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5

Yes

No

S 3.2.2 The members of the Audit Committee were fully informed about the accounting, financial and operational peculiarities of the company.

Yes

No

S 3.3.3 The Nomination Committee prepared at least one evaluation for the chairman of the Managing Body on the operation of the Managing Body and the work and suitability of the members of the Managing Body.

Yes

No

There is no Nomination Committee operating at the company. The Board of Directors manages issues related to the Remuneration Committee.

S 3.3.4 The majority of the members of the Nomination Committee are independent.

Yes

No

There is no Nomination Committee operating at the company

S 3.3.5 The rules of procedure of the Nomination Committee includes those details contained in 3.3.5

Yes

No

There is no Nomination Committee operating at the company

S 3.4.5 The Remuneration Committee prepared the Remuneration Statement.

Yes

No

There is no Remuneration Committee operating at the company.

S 3.4.6 The Remuneration Committee exclusively consists of non-executive members of the Managing Body.

Yes

No

There is no Remuneration Committee operating at the company.

S 4.1.4 The disclosure guidelines of the company at least extend to those details contained in 4.1.4

Yes

No

The Managing Body informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.

Yes

No

S 4.1.7 The company's financial reports followed IFRS guidelines.

Yes

No

S 4.1.16 The company also prepares and releases its disclosures in English.

Yes

No

PROPOSAL
to Item 2 of the Agenda of the 2008 Annual General Meeting

Appointment of the auditor and determination of its remuneration for the year 2008 and the contents of the essential elements of the contract to be concluded with the auditor

Item 2 on the Agenda: Appointment of the auditor and determination of its remuneration for the year 2008 and the contents of the essential elements of the contract to be concluded with the auditor

The ordinary Annual General Meeting in 2007 with its resolution 13/2007 (04.19), elected Ernst & Young Könyvvizsgáló Kft to the part of Auditor of the Company for the business year of 2007 until the time of the ordinary General Meeting of 2008 that is until April 30, 2008 at the latest.

The Board of Directors regarding the business year 2008 recommends appointing again the Ernst & Young Könyvvizsgáló Kft. as the auditor of the Company.

The significant elements of the contract to be concluded with Ernst and Young Könyvvizsgáló Kft. for the business year 2008 are the followings:

Scope: Auditing of TVK Plc. in terms of business year 2008, performing the auditing activities, with special regards to auditing the annual report pursuant to the Act C of 2000 on accounting referring to year 2008, and its prevailing decrees ("Accountancy Law"), and the auditing of the consolidated annual report of the TVK Group for the business year 2008 compiled pursuant to the International Financial Reporting Standards (IFRS).

Fees: HUF 38.995.800 + VAT

Invoicing and payments: In 12 equal instalments, auditor is entitled to issue the invoice until the 5th day of the following month after the current month, and these invoices shall be settled by TVK Plc. 30 days within the receipt.

Personally proceeding auditor: Judit Szilágyi registered auditor (registration number: MKVK-001368) is personally responsible for the accomplishment of the audits.

Effective: from 17th April 2008 until the day of the ordinary general meeting closing the business year 2009.

Proposed resolution:

The Board of Directors proposes to the General Meeting to elect Ernst & Young Könyvvizsgáló Kft. (registered office: 1132 Budapest, Váci út 20., Commercial registration number: Cg. 01-09-267553;) to the part of Auditor of the Company for the business year of 2008 until the time of the Annual General Assembly of 2009, until April 30, 2009 at the latest. The appointed auditor of Ernst & Young Könyvvizsgáló Kft. having personal responsibility for the audit is Judit Szilágyi (parent's maiden name: Darab Judit; address: 1121 Budapest, Tállya u. 28/A/4.; auditor's registration number: MKVK-001368).

The Board of Directors proposes to the General Meeting to approve the mentioned contents of the essential elements of the contract to be concluded between TVK and Ernst & Young Könyvvizsgáló Kft.

The Board of Directors proposes to the General Meeting to determine the Auditor's fee in HUF 38.995.800 + VAT and to authorize the TVK Board of Directors to conclude the contract with the mentioned elements with the appointed auditor, Ernst & Young Könyvvizsgáló Kft.

PROPOSAL
to Item 3 of the Agenda of the 2008 Annual General Meeting

Amendment of the Articles of Association

Item 3 on the Agenda: Amendment of the Articles of Association regarding the exclusive competence of the General Meeting.

The Board of Directors proposes the Annual General Meeting the amendment of the Articles of Association regarding the exclusive competence of the General Meeting.

Proposed resolution:

The Board of Directors proposes the Annual General Meeting the amendment of Article 13. n.) of the Articles of Association as follows (text to be deleted is crossed):

13.) The General Meeting is the principal body of the Company, which comprises of all the shareholders.

n) approving the Management Share Option Scheme; resolution on the guidelines and frames of the long term remuneration and incentives for the executive officers, Supervisory Board members ~~and of the managers~~ of the company;

Further resolution proposed regarding the amendment of Section 13 of the Articles of Association and the related justification:

Section 30. § (5) of the Company Act provides that the Articles of a Company may require the General Meeting to evaluate on an annual basis the work of executive officers in the previous business year, and to pass a resolution on discharging executive officers of their liability. By granting a discharge of liability, the General Meeting certifies that executive officers performed their work during the period under review by giving priority to the interests of the business association. The discharge of liability shall lose effect if a subsequent final court ruling declares the information underlying the discharge of liability false or insufficient.

Now, therefore shareholder MOL Plc. moves that the General Meeting should amend the Section 13 of the Articles of Association of the Company by altering the numbering of the section from the second sentence of the section to 13.1 and by adding a new section 13.2 as set out below:

Proposed Resolution:

Shareholder MOL Plc. proposes that the General Meeting of the Company should amend the Section 13 of the Articles of Association of the Company by altering the numbering of the section from the second sentence of the section to 13.1 and by adding a new section 13.2 as set out below (new text in bold type):

“13.2. The General Meeting shall place on its annual agenda the evaluation of the work of executive officers in the previous business year and shall pass a resolution on discharging executive officers of their liability. By granting a discharge of liability, the General Meeting certifies that executive officers performed their work during the period under review by giving priority to the interests of the business association. The grant of discharge shall lose effect if a subsequent final court ruling declares the information underlying the discharge of liability false or insufficient.”

**PROPOSAL
to Item 4 of the Agenda of the 2008 Annual General Meeting**

Election of members of the Board of Directors

The Board of Directors has no proposal to the Agenda Item 4.

PROPOSAL
to Item 5 of the Agenda of the 2008 Annual General Meeting

Resolution on the option to discharge executive offices of their liability as provided in
Section 30 § (5) of the Company Act

**Item 5 on the Agenda: Resolution on the option to discharge executive offices of
their liability as provided in Section 30 § (5) of the Company
Act**

If the General Meeting decides to accept Section 13.2 of the Articles of Association, the GM pass a resolution on granting a discharging of liability for the 2007 business year in a this agenda item as proposed by MOL Plc.

The resolution proposed by shareholder MOL Plc. regarding that matter is laid out below:

Proposed Resolution:

Shareholder MOL Plc. proposes to the General Meeting to recognize and accept the work performed by the Board of Directors in the 2007 business year and to discharge directors of their liability as provided in section 30 § (5) of the Company Act.