

# TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY

TVK – INDUSTRIAL SITE, TVK Central Office Building  
(building no. 136., topographical lot number: 2119/3) TISZAÚJVÁROS 3581  
Registration number.: 05-10-000065

## ARTICLES OF ASSOCIATION

dated December 31st, 1991 in a consolidated form including  
all amendments corresponding to the resolutions listed below

4/1992. (04.16.)	9, 10/2001. (04.20.)
5/1993. (05.26.)	13, 14/2001. (04.20.)
17/1994. (09.30.)	9, 10,11,12,13/2002. (04.26.)
7/1995. (04.28.)	8/2003. (04.24.)
20/1995. (10.27.)	17/2003. (04.24.)
6/1996. (05.10.)	9,10,11,12,14,15,17/2004. (04.29)
13/1996. (06.14.)	18,19,21,23,24/2004. (04.29.)
25/1996. (09.18.)	8,11, 12, 13, 14, 15, 16, 17/2005. (04. 28.)
4/1997. (05.20.)	17,19,20,21,22,23,24,25,26,27,28,30/2006 (04.20.)
5 /1998. (04.28.)	24,25,26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48/2007. (04.19.).
6/1998. (04.28.)	<b>12, 13/2008. (04.17.) Kgy., Resolution of the Board (05.09.2008)</b>
12/1998. (06.10.)	
MBOD IV/3/1998.	
13, 14, 15, 16, 17, 18, 19/1999.(04.27)	
20, 21, 22, 23, 24, 27, 28/1999.(04.27)	
29, 30, 31, 32, 33, 34, 35/1999.(04.27)	
36, 37, 39, 40, 41, 42, 43/1999.(04.27)	
45, 46, 47, 48, 49, 50, 51/1999.(04.27)	
52, 53, 54, 55, 56, 57, 58/1999.(04.27)	
18, 19, 20, 21,22,23,24,25,26,27,28/2000. (04.28.)	

April 17, 2008



**NAME AND REGISTERED OFFICE OF THE COMPANY**

1. **Full name of the Company:** Tiszai Vegyi Kombinát Nyilvánosan Működő Részvénytársaság  
**Short name:** TVK Nyrt.  
**English name:** Tisza Chemical Group Public Limited Company  
**Short English name:** TVK Plc.  
*(Amended by Resolution no. 20/2006 (IV.20) of the General Meeting.)*
2. **Registered office:** 3581 Tiszaújváros, TVK-Ipartelep Gyári út, TVK Central Office Building (building no. 136., topographical lot number: 2119/3).  
*(Amended by Resolution no. 18/2000 (IV.28) of the General Meeting.)*  
*(Amended by Resolution no. 25/2007 (IV.19) of the General Meeting.)*
3. **Premise of the Company:** Tiszaújváros, TVK-Ipartelep  
*(Amended by Resolution no. 19/2000 (IV.28) of the General Meeting.)*
- 3.a. **Branch of the Company:** 1117 Budapest, Októberhuszonharmadika u. 18.  
*(Amended by Resolution no. 17/2003. (IV.24) of the General Meeting.)*  
*(Amended by Resolution no. 21/2006. (IV.24) of the General Meeting.)*

**TERM AND ACTIVITY OF THE COMPANY**

4. The Company is formed for an indefinite period of time, the Company operates as a public limited company.  
*(Amended by Resolution no. 14/1999 (IV.27) of the General Meeting.)*
5. **TVK Nyrt. was established to perform the activities determined in this Articles of Association (as per TEÁOR'08):**

**Main activity of the Company:**

- 2016'08 **Manufacture of plastic raw materials**  
2013'08 **Manufacture of inorganic chemical raw materials**  
2014'08 **Manufacture of organic chemical raw materials**
- 3511'08 **Production of electric energy**  
3512'08 **Transportation of electric energy**  
3521'08 **Production of gas**  
3530'08 **Gas supply, air conditioning**  
3600'08 **Production, treatment and supply of water**  
4675'08 **Wholesale of chemical products**  
4676'08 **Wholesale of other intermediate products**  
4690'08 **Wholesale of a variety of goods**  
4920'08 **Railway transportation**  
4939'08 **Other land passenger transport**  
4941'08 **Freight transport by road**  
5224'08 **Cargo handling**  
5210'08 **Warehousing and storing**  
5221'08 **Other activities supplementing land transport**  
5229'08 **Other activities supporting transport**  
6201'08 **Computer programming**

<b>6202'08</b>	<b>Information technology consultation</b>
<b>6203'08</b>	<b>Operation of computer hardware</b>
<b>6209'08</b>	<b>Other information technology services</b>
<b>7112'08</b>	<b>Engineering activities and related technical consultancy</b>
<b>7219'08</b>	<b>Other research and experimental development on natural sciences and engineering</b>
<b>7120'08</b>	<b>Technical testing and analysis</b>
<b>4730'08</b>	<b>Retail trading of fuel for vehicles</b>
<b>4950'08</b>	<b>Transportation by pipeline</b>
<b>3700'08</b>	<b>Collection and treatment of waste water</b>

*(The activity codes were translated pursuant to the Minister's of Justice and Law Enforcement decree No. 41/2007. (VIII. 29.) IRM as per TEÁOR'08.)*  
*(Amended by Resolution of the Board of Directors on 09.05.2008.)*

## **SHARE CAPITAL AND SHARES OF THE COMPANY**

### **6. Registered share capital**

HUF 24,533,751,430, that is twenty-four billion, five hundred thirty-three million, seven hundred fifty-one thousand, four hundred and thirty Hungarian Forints.

*(Amended by Resolution no. 13/2001 (IV.20) of the General Meeting)*

*(Amended by Resolution No. 17/2006 (IV.19) of the General Meeting.)*

If, based on the authorization of the Articles the Board resolves to increase the share capital, the Board shall be authorized and obliged to amend the Articles accordingly.

*(Amended by Resolution No. 28/2000 (IV.28) of the General Meeting.)*

### **7. Shares of the Company**

#### **7.1 Classes of Share**

- (a) The registered share capital is 24,290,843 that is twenty-four million two hundred ninety thousand eight hundred and forty-three dematerialized ordinary registered shares of HUF 1010 that is one thousand and ten Hungarian forints face value each which constitute one series of shares.

*(Amended by Resolution No. 16/1999 (IV.27) of the General Meeting.)*

*(Amended by Resolution No. 28/2000 (IV.28) of the General Meeting.)*

*(Amended by Resolution No. 14/2001 (IV.20) of the General Meeting.)*

*(Amended by Resolution No. 9/2004. (04.29.) of the General Meeting.)*

*(Amended by Resolution No. 19/2006. (04.20.) of the General Meeting.)*

- (b) The Shareholders - after having considered the Company's interest - may decide to issue registered employee shares of HUF 1,000 par value each, with the same and equal shareholder's rights by way of a capital increase the Company.

- (c) *(Annulled by Resolution No. 17/2006. (04.20.) of the General Meeting.)*

- (d) *(Amended by Resolution No. 17/1999 (IV.27) of the General Meeting.)*

*(Annulled by Resolution No. 17/2006. (04.20.) of the General Meeting.)*

- (e) *(Amended by Resolution No. 18/1999 (IV.27) of the General Meeting.)*

*(Annulled by Resolution No. 17/2006. (04.20.) of the General Meeting.)*

- 7.2.** The transformation of the shares into different types, categories or classes of shares lies within the authority of the General Meeting. The fulfillment of the transformation is the duty of the Board of Directors.

The decision of the General Meeting regarding the transformation of shares into different types, categories or classes of share, besides the complying with the effective legal regulations, has to provide for

- the exchange and the over-printing of the transformed shares,
- the determination of the rights attached to the new category or class of share.

*(Amended by Resolution No. 19/1999 (IV.27) of the General Meeting.)*

- 7.3.** The ordinary shares shall be generated as dematerialized securities in harmony with the relevant legal rules. The data stipulated by the Company Act and by the relevant rules of law shall be indicated on the document issued of the dematerialized shares (not qualifying as security).

*(Amended by Resolution No. 20/1999 (IV.27) of the General Meeting.)*

*(Amended by Resolution No. 10/2004. (04.29.) of the General Meeting.)*

*(Amended by Resolution No. 22/2006. (04.20.) of the General Meeting.)*

- 7.4.** *(Annulled by Resolution No. 11/2004. (04.29.) of the General Meeting.)*

*(Amended by Resolution No. 21/1999 (IV.27) of the General Meeting.)*

- 7.5.** *(Annulled by Resolution No. 23/2006. (04.20.) of the General Meeting.)*

- 7.6.** *(Annulled by Resolution No. 12/2004. (04.29.) of the General Meeting.)*

*(Amended by Resolution No. 22/1999 (IV.27) of the General Meeting.)*

- 7.7.** *(Annulled by Resolution No. 24/2006. (04.20) of the General Meeting.)*

- 7.8.** If any resolutions of the General Meeting pursuant to the prevailing law or the provisions of the Articles of Association shall be approved exclusively by the shareholders, any shareholders of share series, or with the prior consent of shareholders representing a certain percent of the votes, the Board of Directors is obligated to request the preliminary written consent of the shareholders by way of public announcement simultaneously with the publishing of the notification of the General Meeting. The shareholder may grant its consent by way of registered letter or by way of fax in such a way that it should arrive to the registered office of the Company at least 3 days prior to the date of the General Meeting discussing the given issue. The day of the General Meeting is not to be calculated into the 3 day period. The original copy of the consent granted by way of fax has to be handed over to the person appointed by the Board of Directors for the taking the authorisations at least 1 hour prior to the commencement of the General Meeting.

If the shareholder does not make a statement by deadline his/her consent shall be considered as granted.

*(Amended by Resolution No. 23/1999 (IV.27) of the General Meeting.)*

*(Amended by Resolution No. 38/2007 (IV.19) of the General Meeting.)*

- 7.9.** In case the shareholders or bond-owners of the Company have pre-emptive right to subscribe or take over shares (hereinafter jointly referred to as "pre-emptive right") provided by law, and the exercise of such pre-emptive right is not excluded, the Board of Directors shall call the shareholders and bond-owners for exercising their pre-emptive right in a public announcement in compliance with Article 36 of these Articles of Association. The shareholders and bond-owners may exercise their pre-emptive right by sending a declaration in the manner, within the time and to the

address as specified in the public announcement. The declaration shall contain the category, class, series, number, par value and issuance price of the shares to be subscribed or taken over, as well as the irrevocable commitment of the shareholder or bond-owner on the subscription or taking over the shares stipulated in the declaration and on the payment of the issuance price according to the decision of the general meeting.

The validity of the declaration is subject to the performance of the payment obligation included therein by the shareholder or bond-owner in due time. If the shareholder or bond-owner does not submit a valid declaration within the time specified in the public announcement on exercising his/her pre-emptive right, he/she shall be deemed not to exercise his/her pre-emptive right. Unless otherwise provided for in the decision of the general meeting, if shareholders or bond-owners with the same pre-emptive right intend to subscribe or take over more shares than shares to be issued within the course of the capital increase, they can exercise their pre-emptive respective right in the proportion of the par value of their shares or bonds

The general meeting may exclude the pre-emptive right based on the written proposal of Board of Directors. The general meeting shall discuss the proposal on the exclusion of the pre-emptive right together with the proposal pertaining to the capital increase but it shall pass separate decisions on them. In addition to the content required by law the proposal on the exclusion of the pre-emptive right shall also contain the reason of the capital increase, in case of private placement the introduction of the persons entitled to take over the shares, and the modification of the voting ratio of the existing shareholders as a result of the capital increase.  
*(Implemented by Resolution No. 39/2007 (IV.19) of the General Meeting.)*

## **8. Register of Shares**

- 8.1.** The Board of Directors or the person commissioned pursuant to the legal regulations regarding securities shall keep a register of shares on the bearer of registered shares, including also the bearer of temporary shares, and in which it shall keep the name (company) and address (registered office) of the shareholder or the person authorized thereby (hereinafter together as: "Shareholder") - or the common representative in case a share is in joint ownership- by each series of shares the number of pieces of shares and temporary shares of the shareholder (its share of property), and other data determined by law and the Articles of Association.  
*(Amended by resolution No. 24/1999 (IV.27) of the General Meeting.)*

Upon the request of a shareholder, the Board shall issue an extract of the Register of Shares containing data in respect of that shareholder and his/her shares, the cost of which shall be borne by the shareholder.

- 8.2.** The main rules applicable to the Register of Shares are set out in this and other sections of this Articles and to the extent that these rules need to be regulated in more detail – with regard to the interests and regulations of the depositories (Sections 8.4. and 9.2.) – such rules will be set out by the Board in the Rules on the Share Register. The Rules on the Share Register shall be adopted and amended by the unanimous resolution of the Board.

Upon written request of a shareholder, the Board shall inform the shareholder about the content of the Rules on the Share Register.

- 8.3.** The transfer of the registered share shall be effective towards the Company and the shareholder shall be entitled to practice its shareholder's rights with respect to the Company only after the shareholder had been registered into the register of shares.

The keeper of the security account shall report the shareholder's data stipulated in section 8.1 to the keeper of the share register within 2 days after the shares are credited onto the securities account. The keeper of the share register shall, on the basis of the announcement, record the changes in the shareholder's data in the share register without delay. The data deleted from the share register shall however remain identifiable. The keeper of the security account cannot announce the data if the shareholder instructed him/her so.

The Board of Directors or the person commissioned thereby, with the exception mentioned above, may not deny the registration into the register of shares, if the transfer of shares has taken place in compliance with the conditions determined by law.

If the shareholder's title of ownership ceases as the result of debiting the securities account, the keeper of the securities account shall inform the keeper of the share register thereof within 2 working days after the change. The keeper of the share register shall, on the basis of the announcement, record the changes in the share register without delay.

*(Amended by Resolution No. 27/1999 (IV.27) of the General Meeting.)*

*(Amended by Resolution No. 30/2007 (IV.19) of the General Meeting.)*

- 8.4.** The Company accepts as certificate of shareholding the deposit certificate issued in accordance with the requirement of Law on Capital Markets by Központi Elszámolóház és Értéktár (Budapest) Zrt. (KELER) or resident and non-resident associations entitled to security accountancy.

*(Amended by Resolution No. 27/2006 (IV.20) of the General Meeting.)*

- 8.5.** In case of joint ownership, the name of the representative of the owners must be entered in the Register of Shares. The provisions applicable to the Register of Shares shall apply also in the event that the owner of the share has been changed other than through a transfer.

- 8.6.** If the information disclosed by a shareholder was false, incomplete or misleading or forged when given, the shareholder shall bear all liability arising from it and the Board shall not be liable towards the other shareholders of the Company in connection therewith, unless the Board had knowledge of the false, incomplete or misleading or forged nature of such information. In case the Board becomes aware of the fact, supported by evidence, that the information supplied by the shareholder was false, incomplete or misleading or forged, it will have the right to delete, change, or adjust the Register of Shares, suspend exercise of shareholders rights by the shareholder including the right to receive dividends in respect of the said share and to take all necessary actions within its competence to remedy the situation. In such an event the respective shareholder has to prove to the Board that the information supplied to the Board in respect of itself or the shares was true, complete and not misleading, and not forged.

*(Amended by Resolution No. 30/2007 (IV.19) of the General Meeting.)*

- 8.7.** Upon request of a shareholder (for registration or deletion), the Board of Directors shall record the following data in the Share Register:

i) name/corporate name of the shareholder (shareholder's proxy),

- ii) address/registered office of the shareholder (shareholder's proxy),
- iii) name/corporate name and address/registered office of joint representative in the case of jointly owned shares,
- iv) shares held by the shareholder (the number and nominal value of shares in each class and series of shares, and the ownership ratio and votes represented by such shares),
- v) date of acquiring the shares,
- vi) date of registering/deleting the shareholder in/from the Share Register.  
*(Amended by Resolution No. 14/2004 (04.29.) of the General Meeting.)*
- (vii) *(Annulled by Resolution No. 28/1999 (IV.27) of the General Meeting.)*

**8.8.** The Board shall have the right to decide on the registration of a person in the Register of Shares in accordance with the provisions of these Articles.

If there be no cause to hinder the registration, based on the law or the Articles, the registration shall take effect with the approval of two members of the Board authorised to supervise the keeping of the Register of Shares.

**8.9.** The precondition of participation and voting at the general meeting for holders of registered shares is that the holder of the share(s) or the proxy shall be registered in the share register at least five (5) working days prior to the date of the general meeting. The registration in the share register is based on shareholder identification.  
*(Amended by Resolution No. 22/2000 (IV.28) of the General Meeting.)*  
*(Amended by Resolution No. 29/2007 (IV.19) of the General Meeting.)*

**8.10.** *(Annulled by Resolution No. 29/1999 (IV.27) of the General Meeting.)*

**8.11.** Shareholders' proxies may exercise the shareholders' rights only in respect of the shares registered on the security account kept with such shareholders' proxy, or in respect of the registered shares deposited at such proxy. The depository appointed by the Company issuing certificates of deposit on the Company's shares under foreign law abroad shall be registered in the share register as shareholders' proxy (nominee), if such depository requests so and if it provides for a power of attorney in compliance with the law applicable for the issuance of certificates of deposit and the deposit agreement.  
*(Implemented by Resolution No. 28/2007 (IV.19) of the General Meeting.)*

## TRANSFER OF SHARES

### 9. Transfer of Shares

- 9.1. Unless provided otherwise by law the shares shall be freely transferable.  
*(Amended by Resolution No. 9/2002 (IV.26) of the General Meeting.)*  
*Resolution No. 17/2004. (04.29.) of the General Meeting annulled the second paragraph of Section 8.3.*  
*(Amended by Resolution No. 25/2007 (IV.20) of the General Meeting.)*
- 9.2. *(The first sentence of the paragraph was annulled by Resolution No. 30/1999 (IV.27) of the General Meeting.)*  
*(Annulled by Resolution No. 10/2002. (IV.26) of the General Meeting.)*
- 9.3. *(Annulled by Resolution No. 31/1999. (IV.27) of the General Meeting.)*
- 9.4. In order to avoid the threat of severe damages to the Company, the Board shall be authorised to decide - with the full observation of legal restrictions - on the purchase of its own shares. Whether or not the Company is threatened by severe damages, shall be established by the Board after due consideration of all circumstances of such case, and based on the unanimous resolution of its members in office. The Board is obliged to represent its report of such event at the next General Meeting. In all other cases - except for legal transactions aiming to withdraw employee shares - the purchase of own shares falls under the authority of the General Meeting requiring simple majority.  
*(Amended by Resolution No. 23/2000 (IV.28) of the General Meeting.)*

The transfer of own shares within the legal time limit is the duty of the Board.

## RESTRICTIONS ON SHAREHOLDING IN THE COMPANY

### 10. Restrictions

*(Deleted by Resolution No. 32/1999 (IV.27) of the General Meeting.)*

## RIGHT OF PRIORITY TO SUBSCRIPTION IN CASE OF CAPITAL INCREASE

11. *(Amended by Resolution No 33/1999 (IV.27) of the General Meeting.)*  
*(Amended by Resolution No. 18/2004. (04.29.) of the General Meeting.)*  
*(Deleted by Resolution No. 45/2007 (IV.19) of the General Meeting.)*
12. **Redemption of shares**  
*(Annulled by Resolution No 34/1999 (IV.27) of the General Meeting.)*

## GENERAL MEETING, VOTES

**13.1.** The General Meeting is the principal body of the Company, which comprises of all the shareholders.

The following falls within the exclusive authority of the General Meeting:

- a) make decisions on the establishment, amendment and modification of the Articles of Association, unless the Companies Act provides otherwise;  
*(Amended by Resolution No. 19/2004. (04.29.) of the General Meeting.)*
- b) deciding on the modification of the form of operation of the Company;
- c) deciding on the transformation and termination without legal successor of the Company;
- d) electing and dismissing the members of the Board of Directors, the Supervisory Board and the auditor, and determining their remuneration;
- e) the approval of annual reports (parent company and IFRS consolidated report) prepared in accordance with the Accounting Act, and the Business Report, including the decision on distribution of profit after taxation (determination of dividends);  
*(Amended by Resolution No. 11/2005. (04.28.) of the General Meeting.)*
- f) decide whether to distribute interim dividends;  
*(Amended by Resolution No. 19/2004. (04.29.) of the General Meeting.)*
- g) deciding on the transformation of the type of shares;
- h) deciding on the transformation of the share produced typographically into dematerialized share;
- i) changing the rights attached to the individual series of shares and the transformation of the individual categories and classes of shares;
- j) make decisions on the issue of convertible bonds or bonds carrying voting rights, unless the Companies Act provides otherwise;  
*(Amended by Resolution No. 19/2004. (04.29.) of the General Meeting.)*
- k) deciding - given that the Gt. does not provide otherwise - on the acquisition of own shares, further on the acceptance of a public purchase offer given for own shares;
- l) deciding on the application for listing or delisting the shares or the securities of the Company from any stock exchange or any listing system. The General Meeting shall be entitled to pass a resolution on delisting the shares from the stock exchange only if any group of shareholders incur obligation in advance to make a public offer to purchase the shares on the basis of the effective regulations of the stock exchange;  
*(Amended by Resolution No. 8/2003 (IV.24.) of the General Meeting.)*
- m) changing of the core businesses of the Company (**TEÁOR No. 20.14'08** and **20.13'08** Production of organic and inorganic raw materials for the chemical industry, **20.16'08** Production of raw materials for the plastic industry);

- 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 of the company;**  
*(Amended by Resolution No. 40/2007 (IV.19.) of the General Meeting.)*  
***(Amended by Resolution No. 12/2008 (IV.17.) of the General Meeting.)***
- o) deciding on all issues that are referred to the exclusive sphere of authority of the General Meeting by the Act on Companies or the present Articles of Association.  
*(Amended by Resolution No. 35/1999 (IV.27) of the General Meeting.)*
- p) decision on the exclusion of preemptive subscription right;  
*(Amended by Resolution No. 40/2007 (IV.19.) of the General Meeting.)*
- q) resolution on taking steps suitable for disturbing the process of public offering share purchase;  
*(Amended by Resolution No. 40/2007 (IV.19.) of the General Meeting.)*
- r) electing the members of the audit committee.  
*(Amended by Resolution No. 40/2007 (IV.19.) of the General Meeting.)*

**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.**  
***(Amended by Resolution No. 13/2008 (IV.17.) of the General Meeting.)***

#### **14. Annual General Meeting**

The Annual General Meeting shall be held at least once a year, (AGM) at the date required by the relevant laws.  
*(Amended by Resolution No. 21/2004. (04.29) of the General Meeting.)*  
*(Amended by Resolution No. 46/2007 (IV.19) of the General Meeting.)*

According to the Resolution No. 46/2007 (IV.19) of the General Meeting the (a), (b), (c), (d) subpoints of this point were been deleted.

- (a) *(Deleted by Resolution No. 46/2007 (IV.19) of the General Meeting.)*
- (b) *(Amended by Resolution No. 12/2005. (04.28.) of the General Meeting.)*  
*(Deleted by Resolution No. 46/2007 (IV.19) of the General Meeting.)*
- (c) *(Amended by Resolution No. 13/2005. (04.28.) of the General Meeting.)*  
*(Deleted by Resolution No. 46/2007 (IV.19) of the General Meeting.)*
- (d) *(Amended by Resolution No. 14/2005. (04.28.) of the General Meeting.)*  
*(Deleted by Resolution No. 46/2007 (IV.19) of the General Meeting.)*

**15. Extraordinary General Meeting**

An Extraordinary General Meeting may be convened by the Board of Directors if it deems it as necessary with respect to the operation of the Company, or in cases determined by law the Board of Directors, the Supervisory Board and the court of registration may also do so.

*(Amended by Resolution No. 36/1999 (IV.27) of the General Meeting.)*

*(Amended by Resolution No. 47/2007 (IV.19) of the General Meeting.)*

**16. Notice for the General Meeting**

**16.1.** Unless the law requires a shorter period for convening the general meeting, the Board of Directors or the other authorized person indicated in the previous point shall publish the invitation to the general meeting at least 30 days prior to the starting date of the planned General Meeting. In addition to this, the members of the Supervisory Board and the auditor shall be notified about the General Meeting in a separate invitation as well taking, the above deadline into consideration.

*(Amended by Resolution No. 26/2007 (IV.19) of the General Meeting.)*

**16.2.** All publication and invitation of the General Meeting shall contain the name and registered office of the Company, the venue, date and time of the General Meeting, the agenda of the General Meeting, the conditions of exercising voting rights, and the date of the repeated General Meeting in case the General Meeting has no quorum.

The invitation and the announcement shall state that the shareholders may exercise their rights at the general meeting through an appointed representative. Unless otherwise provided for by law, the members of the Board of Directors and of the Supervisory Board, the company secretary, the executives of the Company, as well as the auditor, may not be authorized to represent a shareholder at the general meeting. The power of attorney has to be provided to the Company in the form of a public or a private document with full probative force or proxy card sent by the Company.

In case any shareholder wishes to appoint a representative on a proxy card, it shall send a request to the Company in a way and by the date determined in the invitation and announcement to the general meeting. The proxy card is valid only for one general meeting, but will be applicable to the continued general meeting after suspension or the general meeting reconvened due to lack of quorum. The proxy card is valid if it has the shareholder's or the nominee's of the shareholder autograph or authenticated signature and it was delivered to the Company in a way and by the date provided in the invitation and announcement. If the proxy card does not include instructions on voting in respect of certain issues on the agenda the designated person acting on behalf of the shareholder or the nominee will vote in line with the proposals of the Board of Directors unless otherwise instructed by the proxy card. The proxy can be revoked with a notice given to the Company before the date of the general meeting which shall be duly signed by or shall be signed in the own hands of the shareholder or the nominee who was the original signatory of the proxy card. As long as the notice on revocation of the proxy has not been received by the Company other person cannot act on behalf of the shareholder or the nominee at the general meeting.

*(Amended by Resolution No. 27/2007 (IV.19) of the General Meeting.)*

**16.3.** In the event that the convening of the General Meeting had not been in compliance with the regulations, a decision may only be passed if all shareholders entitled to vote are present and if the shareholders approve of the keeping of the General Meeting.

*(Amended by Resolution No 37/1999 (IV.27) of the General Meeting.)*

- 16.4.** The Board shall, according to rules on announcements, publish the substantial data of the financial statements prepared in accordance with accounting standards and of the reports the Board of Directors and the Supervisory Board at least fifteen (15) days prior to the General Meeting.
- 16.5.** The date for the verification of shareholder eligibility preceding the General Meeting shall fall between the 5th and the 10th working day preceding the General Meeting.  
*(Completed by Resolution No 24/2000 (IV.28) of the General Meeting.)*
- 16.6.** The Company holds the general meeting at the place determined by the Board of Directors and published in the announcement.  
*(Implemented by Resolution No. 36/2007 (IV.19) of the General Meeting.)*

## **17. Quorum, Voting at the General Meeting**

- 17.1.** The General Meeting shall have a quorum if shareholders representing more than half of the shares entitled to voting are present.

The shareholder may practice its shareholder's rights by way of a representative. The member of the Board of Directors, of the Supervisory Board or the auditor may not be authorized.

One representative may represent several shareholders, one shareholder however may only have one representative. The authorization for representation is valid for one General Meeting or a definite term of time, but for 12 months at the most. The validity of the authorization for representation extends to the continuing of the suspended General Meeting and to the General Meeting convened repeatedly due to lack of quorum. The authorization has to be submitted to the company in the form of a public document or that of a private document with full force and effect.  
*(Amended by Resolution No 39/1999 (IV.27) of the General Meeting.)*

- 17.2.** If the general meeting does not have a quorum, the repeated general meeting may be re-convened for the same day as the general meeting having no quorum, however, the period between the two general meetings cannot be longer than 21 days. Such second General Meeting shall have a quorum to discuss the same agenda regardless of the number of voting shares represented.  
*(Amended by Resolution No. 32/2007 (IV.19) of the General Meeting.)*
- 17.3.** Those shareholders whose names are listed in the Register of Shares shall have the right to attend the General Meeting and to vote. Based on data of the Register of Shares, the Board shall provide appropriate means of voting (e.g. voting slip) for the shareholders, per shares.
- 17.4.** The way of voting (open or secret) is decided by the General Meeting. If the General Meeting requires secret voting, then a committee shall be elected based on the proposal of the chairman of the General Meeting to count the votes. A committee for counting the votes shall consist of three (3) members. The committee for counting the votes shall submit a written report on the results of voting, which shall be presented to the meeting by the chairman of the General Meeting and attached to the Minutes of the meeting.
- 17.5.** The General Meeting shall pass its decisions with 3/4 majority of the votes cast in cases determined by law and in matters of points 13 a), b), c), i), m), and n) of the

Articles of Association, in other cases the decision shall be passed with the simple majority of the votes cast. Abstention shall not be considered as a vote cast and shall not affect the quorum.

*(Amended by Resolution No 40/1999 (IV.27) of the General Meeting.)*

*(The second paragraph of this item was deleted by Resolution No. 10/2001 (IV.20) of the General Meeting.)*

*(Amended by Resolution No. 44/2007 (IV.19) of the General Meeting.)*

- 17.6.** 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. The shareholder having interim shares can exercise his/her shareholder's rights proportionately to the already effected capital contribution.

*(Amended by Resolution No. 41/1999 (IV.27) of the General Meeting.)*

*(Amended by Resolution No. 37/2007 (IV.19) of the General Meeting.)*

- 17.7.** The general meeting may – by simple majority of votes – one time resolve the suspension of the general meeting for maximum 30 day.

*(Implemented by Resolution No. 31/2007 (IV.19) of the General Meeting.)*

## **18. Chairman of the General Meeting**

- 18.1.** The chairman of the General Meeting shall be elected by the simple majority of those present at the General Meeting. The same procedure shall be applicable to the election of the persons counting the votes and the person certifying the protocol, with the condition that the person certifying the protocol may only be a shareholder.

*(Amended by Resolution No.42/1999 (IV.27) of the General Meeting.)*

- 18.2.** The Chairman of the General Meeting appoints the keeper of the minutes, presides over the meeting on the basis of the agenda, invites or refuses the shareholder's request for speaking, orders voting, presents the outcome of voting and announces resolutions of the General Meeting.

- 18.3.** Minutes of the General Meeting shall be kept, according to the provisions of the Companies Act.

## **BOARD OF DIRECTORS**

### **19. Members of the Board**

- 19.1.** Members of the Board are elected by the General Meeting. Members of the Board may be reelected following expiry of their term.

*(Amended by Resolution No. 43/1999 (IV.27) of the General Meeting.)*

- 19.2.** The Board of Directors consists of minimum 3, maximum 11 natural persons.

*(Amended by Resolution No. 145/1999 (IV.27) of the General Meeting.)*

- 19.3.** The chairman (vice-chairman) of the Board of Directors shall be elected from the members thereof by the Board of Directors. The chairman (vice-chairman) of the Board of Directors and the member thereof may not have a labor relationship with the Company in this respect.

*(Amended by Resolution No. 46/1999 (IV.27) of the General Meeting.)*

**20. Rules of the Board**

The Board of Directors shall exercise its rights and perform its tasks as a corporate body. The division of tasks and authorities between the members of the Board of Directors shall be regulated in the rules of procedure of the Board of Directors.  
*(Amended by Resolution no. 47/1999 (IV.27) of the General Meeting.)*

**21. Protection of Minority Shareholders**

*(Deleted by Resolution No. 42/2007 (IV.19) of the General Meeting.)*

**22. Powers and duties of the Board****22.1.** The Board shall have the following powers and duties

- (a) as a non-transferable scope of activity making and accepting proposals concerning issues falling within the exclusive scope of authority of the General Meeting according to Section 13 of these Articles, and presenting them to the General Meeting,
- (b) submits the reports to the Court of Registry,
- (c) determines the rules of operation of the company,  
*(Amended by Resolution no. 48/1999 (IV.27) of the General Meeting.)*
- (d) takes care of proper keeping of financial records of the Company,
- (e) takes all steps in issues that do not fall within the exclusive authority of the General Meeting,  
*(Amended by Resolution no. 49/1999 (IV.27) of the General Meeting.)*
- (f) decision on the Company's annual and medium-term business plans, as a non-transferable scope of activity
- (g) elects and removes the chief executive officer of the Company and determines the authority and remuneration thereof, and furthermore exercises the employer's rights with respect to the chief executive officer,  
*(Amended by Resolution no. 50/1999 (IV.27) of the General Meeting.)*
- (h) authorisation of employees of the Company to sign on behalf of the Company,
- (i) to decide on the registration of new shareholders in the Register of Shares;  
*(Amended by Resolution no. 25/2000 (IV.28) of the General Meeting.)*
- (j) as a non-transferable scope of activity shall be entitled and – in a scope and manner defined in the Tpt. – obliged to receive the purchase offers concerning all the shares of the Company on behalf of the shareholders, to give an opinion about the offer and to make suggestions for the shareholders whether the offer is considered to be reasonable and acceptable and within the best interests of the Company. The Board is obliged to disclose its opinion in the publication gazette of the Company or in the place where the report of the bidder regarding its business activities and the operation plan may be inspected.

*(Amended by Resolution No. 11/2002 (IV.26) of the General Meeting.)*

- (k) to conclude contracts in connection with the central securities account for the shares of the Company furthermore in connection with the conclusion of other securities account contracts for the dematerialized shares stipulated by law and the provisions of the stock exchange and KELER Zrt's regulation in the frame of its non-transferable authority.

*(Amended by Resolution No. 26/2006 (IV.20) of the General Meeting.)*

- (l) *(Annulled by Resolution No. 51/1999 (IV.27) of the General Meeting.)*

- (m) declaring the shares void and determining the terms and conditions of invalidity in the cases defined in valid laws and regulations.

*(Amended by Resolution No. 12/2002 (IV.26) of the General Meeting.)*

- (n) resolution on the amendment of the name of the Company, the seat of the Company, business premises and branch offices of the Company, the Company's scope of activity (except for the main activity) and the respective amendment of the Articles of Association;

*(Implemented by Resolution No. 25/2007 (IV.19) of the General Meeting.)*

- (o) resolution on the payment of dividend advance with the prior consent of the Supervisory Board instead of the General Meeting;

*(Implemented by Resolution No. 25/2007 (IV.19) of the General Meeting.)*

- (p) preparation of an annual report for the General Meeting, furthermore preparation of a quarterly report for the Supervisory Board about the management, the company assets and the business policy.

*(Implemented by Resolution No. 25/2007 (IV.19) of the General Meeting.)*

- (q) resolution on the venue of the general meeting.

*(Implemented by Resolution No. 25/2007 (IV.19) of the General Meeting.)*

**22.2.** *(Annulled by Resolution No. 52/1999 (IV.27) of the General Meeting.)*

**22.3.** The Chief Executive Officer exercises the employer's right in respect of every employee of the Company. The CEO can transfer this right of his/her to senior officers of the Company or to employees considered as managers by the general assembly in the way stipulated in the Company Organizational Regulations or in other internal regulations of the Company.

*(Amended by Resolution No. 28/2006 (IV.20) of the General Meeting)*

**22.4.** The Board of Directors shall prepare a report on the management, the financial situation and the business politics of the Company once a year for the General Meeting and every three months for the Supervisory Board.

*(Amended by Resolution No. 53/1999 (IV.27) of the General Meeting.)*

## **SUPERVISORY BOARD**

### **23. Members of the Supervisory Board**

- 23.1.** The Supervisory Board shall consist of minimum 3, maximum 15 members. The members of the Supervisory Board - including the delegated employees as well - shall be elected by the General Meeting for five (5) years.  
*(Amended by Resolution No. 54/1999 (IV.27) of the General Meeting.)*
- 23.2.** The Supervisory Board shall elect its chairman from among its members by majority voting at its first meeting.
- 23.3.** The chairman of the Supervisory Board convenes and presides over the meetings of the Supervisory Board, assigns the person who keeps the minutes of the meetings, orders voting and determines the outcome of voting.
- 23.4.** By the indicating the reason and aim any member may request in writing the convening of the Supervisory Board from the chairman of the Supervisory Board. Within 8 days as of receiving the above request the chairman shall be obligated to take the steps for the convening of the Supervisory Board within 30 days as of the above. In the event that the chairman does not comply with the above obligation the member shall be entitled to convene the Supervisory Board meeting.  
*(Amended by Resolution No. 55/1999 (IV.27) of the General Meeting.)*
- 23.5.** Employee representatives to be delegated to the Supervisory Board shall be selected by the Factory Council of the Company, taking the opinion of the Trade Unions into consideration. The General Meeting shall appoint the delegate(s) as member(s) of the Supervisory Board, except when such delegate is disqualified by law.
- 23.6.** Employee representative members of the Supervisory Board shall inform, , the employees through the Factory Council, except for business secrets. If their minority opinion unanimously differs from the majority opinion of the Supervisory Board, such opinion must be voiced at the General Meeting.  
*(Amended by Resolution No. 26/2000 (IV.28) of the General Meeting.)*

## **24. Authority of the Supervisory Board**

- 24.1.** The authority of the Supervisory Board:
- a) controls the management of the Company for the General Meeting, may request information from the leading officials and employees in leading positions of the Company, may supervise the books and documents of the Company;
  - b) it is obligated to review all important business politics decisions on the agenda of the General Meeting and all submissions that regard issues falling within the exclusive authority of the General Meeting of the Company. The General Meeting may only decide on the report prepared pursuant to the Act on Accounting and the appropriation of the after-tax profits in the possession of the written report of the Supervisory Board;
  - c) in the event that the Supervisory Board deems that the activity of the management violates law or the Articles of Association or the decisions of the Company or in any other way violates the interests of the Company or of the shareholders, it shall convene an extraordinary General Meeting and shall make a proposal for the agenda thereof;
  - d) it performs all its tasks determined by law;

- e) *(Amended by Resolution No. 56/1999 (IV.27) of the General Meeting.)  
(Amended by Resolution No. 27/2000 (IV.28) of the General Meeting.)  
(Deleted by Resolution No. 34/2007 (IV.19) of the General Meeting)*
- f) The Supervisory Board may request information from the members of the Board of Directors and from the senior managers. In case of a written request, the addressee shall provide the requested information in written form within 8 (eight) working days.  
*(Implemented by Resolution No. 33/2007 (IV.19) of the General Meeting)*

**24.2.** The Supervisory Board shall adopt its own organizational and operational rules and shall submit them to the General Meeting for approval. Minutes have to be kept of the Supervisory Board meetings.

### THE AUDITOR

**25.** The Company shall have one Auditor elected for the time period starting from the date of the general meeting when the Auditor is elected and ending on the date of the general meeting when the statutory financial report of the business year is approved. If the Auditor is a business association, it shall nominate its member, executive official or employee personally responsible for the auditing of books.  
*(Amended by Resolution No. 43/2007 (IV.19) of the General Meeting)*

**26. Duties of the Auditor**

- (a) supervision of company records,
- (b) the auditor shall audit the annual reports prepared in accordance with the Accounting Act to establish the authenticity and legality thereof. Furthermore, the auditor shall audit any significant business report submitted to the general meeting whether such reports contain true and correct data, and comply with the applicable laws and regulation. The auditor shall submit a written report to the General Meeting thereon,  
*(Amended by Resolution No. 23/2004. (04.29.) of the General Meeting.)  
(Amended by Resolution No. 15/2005. (04.28.) of the General Meeting.)*
- (c) other duties as stipulated by the Companies Act.

**SIGNING ON BEHALF OF THE COMPANY**

27. The following shall be entitled to sign for the Company:
- a) any two members of the Board of Directors jointly,
  - b) any member of the Board of Directors jointly with an employee authorized by the Board of Directors to representation,
  - c) two employees authorized by the Board of Directors jointly.  
(Amended by Resolution No. 57/1999 (IV.27) of the General Meeting.)  
(Amended by Resolution No. 48/2007 (IV.19) of the General Meeting.)
28. Any two people from the authorized persons shall put his/their own signatures to the prewritten, pre typed or pre-printed official name of the Company the same way as his/their signature is certified by a notary and submitted to the Court of Registry for registration.  
(Amended by Resolution No. 48/2007 (IV.19) of the General Meeting.)

**APPROVAL OF ANNUAL REPORTS PREPARED IN ACCORDANCE WITH THE ACCOUNTING ACT (PARENT COMPANY AND CONSOLIDATED REPORT), AND THE DISTRIBUTION OF PROFIT.**

(Amended by Resolution No. 17/2005. (04.28.) of the General Meeting.)

29. The business year of the Company extends from 1st January till 31st December.
30. Within 120 days upon the end of every financial year, the Company's financial reports (unconsolidated report made in accordance with the Hungarian Accounting Act, and consolidated report, made in accordance with IFRS) have to be prepared, made in Hungarian language; the consolidated report, made in accordance with IFRS have to be prepared in English language, too.  
(Amended by Resolution No. 24/2004. (04.29.) of the General Meeting.)  
(Amended by Resolution No. 16/2005. (04.28.) of the General Meeting.)
31. No dividend or interest is allowed to be determined or paid to shareholders from the registered capital.
32. Those shareholders are entitled to dividends who are registered as the holders of the share(s) in the share register of the Company – on the basis of shareholders identification performed in harmony with the regulations of KELER – 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 the general meeting deciding on the payment of dividend. However the date of the shareholder identification made in compliance with the regulations of KELER in respect of the dividend payment shall not take place more than five working days after the general meeting passing a resolution on the payment of dividend.  
(Amended by Resolution No. 41/2007 (IV.19) of the General Meeting.)
33. The Company does not pay dividends on the treasury shares, for the determination of the participation due to the shareholders with rights to dividends, the dividends for treasury shares are disregarded. The dividend shall become due at the time and date determined by the General Meeting. At least 10 working days shall elapse between

the first publication date of the general meeting resolution on the initial date of distributing dividends and the initial date of dividend distribution.

*(Amended by Resolution No. 58/1999 (IV.27) of the General Meeting.)*

*(Amended by Resolution No. 8/2005 (IV.28) of the General Meeting.)*

- 34.** Dividends shall be paid by the Company in a lump sum by bank remittance, postal transfer or in cash. The Company shall make out (or have it made out) the remittance, postal order to the shareholder (joint representative) or of the person(s) indicated by the shareholder and shall send them to the address of the shareholder indicated in the share register or to any other address specified by the shareholder, or to the bank account indicated by the shareholder. The sum of the dividend can also be obtained personally at the cashier of the Company, if the shareholder notified the Company in due time on his intention.

The shareholders are entitled to request from the Board that dividends due to them be paid in form of shares instead of cash.

- 35.** The Company shall not be obliged to pay interest on dividend. The right for dividend shall elapse in five (5) years following its maturity date.

### ANNOUNCEMENTS

- 36.** In the context of the regulations on public limited companies, the Company shall publish its announcements at the places stipulated by the law and the stock exchange regulations, whereas the announcement stipulated by law in connection with the operation of the Company shall be published on the website of the Company ([www.tvk.hu](http://www.tvk.hu)) on one occasion.

*(Amended by Resolution No. 13/2002 (IV.26) of the General Meeting.)*

*(Amended by Resolution No. 30/2006 (IV.20) of the General Meeting.)*

*(Amended by Resolution No. 26/2007 (IV.19) of the General Meeting.)*

- 37.** In case of each and every legal dispute arising from these Articles between the shareholders or between the shareholders and the Company, the Company and the Shareholders submit themselves within the required period of time and in cases determined by law to the exclusive jurisdiction of the Court of the Borsod-Abaúj-Zemplén County in Miskolc.

Tiszaújváros, April 17, 2008

#### Countersignature:

Horváthné dr. Vámosi Margit  
jogtanácsos  
jogtanácsosi igazolvány szám: 04243  
B.-A.-Z. Megyei Bíróság

Tiszaújváros, April 17, 2008