

INVITATION

The Board of Directors of **BorsodChem Nyrt.**
(3700 Kazincbarcika, Bolyai tér 1., hereinafter referred to as the “Company”)
notifies the shareholders that
the **Extraordinary General Meeting of the Company**
will be held at 9:00 a.m. on 13 October 2006

Venue of the General Meeting: **Kempinski Hotel Corvinus Budapest,
Salon Regiomontanus
Budapest, Erzsébet tér 7-8.**

In case a quorum has not been reached at the General Meeting, the repeated General Meeting will be held at the same place with the same agenda **at 10:00 a.m. on 13 October 2006.**

Agenda of the General Meeting:

- 1. Decrease of the registered capital by HUF 640,951,050 through the withdrawal of 3,173,025 employee shares – amendment of the Articles of Association in connection with the decrease of the registered capital**
- 2. Amendment of the Articles of Association in order to align them with Act IV of 2006 on Business Associations**
- 3. Approval of the amended Rules of Procedure of the Supervisory Board**
- 4. Election of the members of the Audit Committee**

We draw the attention of our shareholders to the fact that approval of the decisions regarding item No. 1 and No. 2 on the agenda requires the support of at least $\frac{3}{4}$ of the votes cast.

Concerning agenda item No. 1 (Decrease of the registered capital by HUF 640,951,050 by the redemption of 3,173,025 employee shares – amendment of the Articles of Association in connection with the decrease of the registered capital) we hereby inform our shareholders that the purpose of the decrease of the registered capital is to make distribution to the shareholders and the method of the decrease of the registered capital is the withdrawal of 3,173,025 employee shares.

The Board of Directors draws the attention of the shareholders to the fact that the resolutions regarding agenda item No. 1 may only be validly approved by the General Meeting if the beneficiaries of the employee shares separately approve these resolutions with at least a $\frac{3}{4}$ majority of the votes attached to the employee shares. In accordance with 8.§ 32) of the Articles of Association such a separate approval may be given by the beneficiaries of the voting rights attached to the employee shares as follows:

- a) by their statement of approval included in a private document with full evidentiary force submitted to the Board of Directors by the second working day preceding the General Meeting that is to vote on the resolutions proposed in connection with agenda item No. 1 (that is by 11 October 2006), or
- b) by signing immediately prior to the General Meeting a statement of approval delivered to them contemporaneously with their signing of the attendance list when registering for the General Meeting;
- c) the approvals granted in accordance with a) and b) above can be added up.

When adding up the approvals granted in accordance with the above, the Board of Directors will only take into account the approval of those shareholders who are registered in the Company's share register on the date of the General Meeting voting on the proposals concerned.

In accordance with 8.§ 5) and 6) of the Articles of Association of the Company:

- “5) The conditions of exercising the participation and voting rights of a shareholder at the General Meeting are:
- a) the shareholder has paid its financial contribution due to the Company;
 - b) the owner of a share shall be entered definitively in the Shares Register of the Company;
 - c) the Central Clearing House and Depository (Budapest) Ltd. or the securities account keeper has, up to the date of the General Meeting, locked up the shareholder's shares and
 - ca) the Central Clearing House and Depository (Budapest) Ltd. has informed the Board of Directors in writing of the lock-up not later than by 3 pm of the working day preceding the day of the general meeting, or
 - cb) the shareholder or its securities account keeper gives evidence to the Board of Directors of the lock-up of the shares of the shareholder by presenting an ownership certificate issued by the securities account keeper not later than by 3 pm of the working day preceding the day of the General Meeting.

No shareholder may be excluded from exercising his rights at the General Meeting if the foregoing conditions are met.

- 6) If the conditions set out in Clause 5 are satisfied, the shareholder or its authorised representative, may request its voting card, or its voting block or any other technical instrument used at the general meeting for this purpose accepted by the Board of Directors, appropriate for the identification of the voting person (hereinafter: “voting machine”), at the place of the General Meeting after certifying its identity through

signing the list of attendance which entitle him to participate in and vote at the General Meeting.”

The proposals of the Board of Directors and all other documents relating to the items on the agenda can be inspected at the registered seat of the Company (3700 Kazincbarcika, Bolyai tér 1.) and at the Budapest Branch Office of the Company (Budapest, Szabadság tér 7., Bank Center) on working days from 9:00 a.m. to 3:00 p.m. from October 2 to 12, 2006 as well as from 9:00 a.m. October 2, 2006 on the websites of the Budapest, London and Warsaw Stock Exchanges, respectively and BorsodChem Nyrt. (www.borsodchem.hu).

Shareholders can exercise their rights of participation and vote at the General Meeting either in person or by a duly authorized proxy.

At the venue and on the day of the General Meeting between 8:00 a.m. and 8:45 a.m. (or, in case of a repeated General Meeting, between 9:30 a.m. and 9:45 a.m.) the shareholder (by verifying his right for representation) or his/her authorized proxy after verifying his/her identity and concurrently with signing the attendance sheet may call for the voting cards or voting device, which will entitle him/her to attend and vote at the General Meeting.

In the case of proxies, the authorization shall be included in an official document or a private document of full probative effect and it – inclusive of documents required for identification – shall be handed over not later than the time of registration. The authorization will also be valid for the repeated General Meeting in case a quorum was not achieved and for the continued General Meeting.

The formality of the official document issued outside Hungary or the authorization included in a private document of full probative effect shall comply with the laws related to the legalisation and super-legalisation of documents issued abroad.

Conditions for the attendance at the repeated General Meeting in case a quorum was not achieved will be the same as the conditions for the original General Meeting. The repeated General Meeting will have a quorum on the issues of the original agenda regardless of the number of shares with voting rights represented at the General Meeting.

We recommend to our honoured shareholders to discuss with their investment service provider keeping their securities accounts the tasks and deadlines required for participating in the identification of shareholders to be arranged by KELER Zrt. if they wish to attend the General Meeting.

Kazincbarcika, September 8, 2006

Board of Directors
of BorsodChem Nyrt.

Proposals by the Board of Directors for the Extraordinary General Meeting of BorsodChem Nyrt. to be held on October 13, 2006

TO AGENDA ITEM 1 OF THE GENERAL MEETING

Decrease of the registered capital by HUF 640,951,050 through the withdrawal of 3,173,025 employee shares – amendment of the Articles of Association in connection with the decrease of the registered capital

Draft resolution No. 1 to Item 1 on the Agenda

Board Resolution No. 79/2006

The Board of Directors proposes to the General Meeting to approve the following Draft Resolution of the General Meeting:

Resolution of the General Meeting No. [...]/2006 (draft)

The General Meeting resolves on the reduction of the registered capital of the Company by HUF 640,951,050 (that is six hundred forty million nine hundred fifty-one thousand and fifty Hungarian Forints). The reduction of the capital shall be implemented by the withdrawal of 3,173,025 (that is three million one hundred seventy-three thousand and twenty-five) employee shares with a reduction of the funds of the Company. The purpose of the reduction of the capital is to make distribution to the holders of the employee shares.

Pursuant to Section 5 Clause 1/C (i) of the Articles of the Company, due to the fact that the First Performance Criteria defined by the Articles has been fulfilled within deadline, the holders of the employee shares will be paid the nominal value of their shares in the course of the reduction of capital and withdrawal of the employee shares.

The nominal value of the employee shares will be distributed after the Court of Registration has registered the reduction of the capital

Following the reduction of the capital, the registered capital of the Company shall be HUF 16,029,270,650 (that is sixteen billion twenty-nine million two hundred seventy thousand and fifty Hungarian Forints) that will consist of

- (i) 76,179,800 (that is seventy-six million one hundred seventy-nine thousand and eighty) ordinary shares with a nominal value of HUF 202; and**
- (ii) 3,173,025 (that is three million one hundred seventy-three thousand and seventy-five) employee shares with a nominal value of HUF 202.**

Draft resolution No. 2 to Item 1 on the Agenda

Board Resolution No. 80/2006

The Board of Directors proposes to the General Meeting to amend and restate 4. § 1) of the Articles of Association as follows:

Resolution of the General Meeting No. [...] /2006 (draft)

With regard to the reduction of the registered capital of the Company, the General Meeting amends Section 4 Clause 1 of the Articles of Association, with the effect of the registration of the capital reduction by the court, as follows:

“1) The amount of the Company’s share capital is HUF 16,029,270,650 (i.e. sixteen billion twenty-nine million two hundred seventy thousand and six hundred fifty Hungarian Forints), which consists of

- 76,179,800 (seventy-six million one hundred and seventy-nine thousand eight hundred) dematerialized ordinary shares with HUF 202 (two hundred and two Hungarian forints) par value each, which form one series of shares; and**
- 3,173,025 (i.e. three million one hundred seventy-three thousand and twenty-five) dematerialised employee shares each with a nominal value of HUF 202 (i.e. two hundred and two Forints), which form one series of shares.”**

Draft resolution No. 3 to Item 1 on the Agenda

Board Resolution No. 81/2006

The Board of Directors proposes to the General Meeting to approve the following Draft Resolution of the General Meeting:

Resolution of the General Meeting No. [...] /2006 (draft)

With regard to the reduction of the registered capital of the Company and the partial withdrawal of the employee shares, the General Meeting deletes Section 5 Clause 1/C (i) of the Articles of Association and it deletes the definitions “First Performance Criteria” and “Partial Withdrawal” contained in Section Clause 1/E of the Articles of Association, with the effect of the registration of the capital reduction by the Court of Registration.

TO AGENDA ITEM 2 OF THE GENERAL MEETING

Amendment of the Articles of Association in order to align them with Act IV of 2006 on Business Associations

Board Resolution No. 83/2006

The Board of Directors hereby approves the proposals regarding Item No. 2 on the agenda (*Amendment of the Articles of Association of the Company*) of the extraordinary general meeting of the Company to be held on 13 October 2006 in the form attached to this resolution as version "B".

(Annex 1. to Board Resolution No. 83)

Draft resolution No. 1 to Item 2 on the Agenda

Resolution of the General Meeting No. [...] /2006 (draft)

In accordance with 8.§ 35) of the Articles of Association of the Company, the General Meeting hereby resolves that in connection with the item on the agenda of the General Meeting regarding the amendment of the Articles of Association it shall vote on the draft amendments to the Articles of Association proposed by the Board of Directors jointly, in a single poll in order to facilitate the efficient management of the General Meeting.

The General Meeting further resolves that it does not require that the Board of Directors explain each of its proposals for the amendment of the Articles of Association item by item with respect to the fact that in accordance with the applicable laws the Board of Directors made available its proposals to the shareholders before the date of the extraordinary general meeting and the shareholders were thus given appropriate opportunity to review the proposals.

Draft resolution No. 2 to Item 2 on the Agenda

Resolution of the General Meeting No. [...] /2006 (draft)

The General Meeting hereby approves all proposals of the Board of Directors submitted in connection with the amendment of the Articles of Association and hereby amends the Articles of Association in the form attached to this resolution in accordance with the proposals of the Board of Directors.

TO AGENDA ITEM 3 OF THE GENERAL MEETING

Approval of the amended Rules of Procedure of the Supervisory Board

Due to the requirements of the new Act IV of 2006 on Business Associations the Supervisory Board was required to review and amend its Rules of Procedure accepted in 2005.

As the approval of the Rules of Procedure of the Supervisory Board falls within the competence of the General Meeting, the Supervisory Board has requested the Board of Directors to submit the revised Rules of Procedure for approval to the General Meeting as follows:

Board Resolution 84/2006

The Board of Directors proposes to the General Meeting to approve the amended Rules of Procedure of the Supervisory Board.

(Annex 2. to Board Resolution No. 84)

Resolution of the General Meeting No. [...]/2006 (draft)

The General Meeting approves the amended Rules of Procedure of the Supervisory Board.

TO AGENDA ITEM 4 OF THE GENERAL MEETING

Election of the members of the Audit Board

Draft resolution No. 1 to Item 4 on the Agenda

Board Resolution No. 85/2006

The Board of Directors proposes to the General Meeting to elect Dr Christian Riener (mother's name: Roswitha Ellinger; address: 1010 Vienna, Tagetthoffstraße 7., Austria) to be a member of the Audit Board for the duration of his Supervisory Board membership, dating from the day of this present General Meeting until April 28, 2009.

Resolution of the General Meeting No. [...]/2006 (draft)

By the proposal of the Board of Directors, the General Meeting of the Company elects Dr Christian Riener (mother's name: Roswitha Ellinger; address: 1010 Vienna, Tagetthoffstraße 7., Austria) to be a member of the Audit Board for the duration of his Supervisory Board membership, dating from the day of this present General Meeting until April 28, 2009.

Draft resolution No. 2 to Item 4 on the Agenda

Board Resolution No.86/2006

The Board of Directors proposes to the General Meeting to elect Dr. Zoltán Varga (mother's name: Rozália Rózsa Molnár; address: 1037 Budapest, Hegyoldal u. 1/A. I/3.) to be a member of the Audit Board for the duration of his Supervisory Board membership, dating from the day of this present General Meeting until April 28, 2009.

Resolution of the General Meeting No. [...] /2006 (draft)

By the proposal of the Board of Directors, the General Meeting of the Company elects Dr Zoltán Varga (mother's name: Rozália Rózsa Molnár; address: 1037 Budapest, Hegyoldal u. 1/A. I/3.) to be a member of the Audit Board for the duration of his Supervisory Board membership, dating from the day of this present General Meeting until April 28, 2009.

Draft resolution No. 3 to Item 4 on the Agenda

Board Resolution No.87/2006

The Board of Directors proposes to the General Meeting to elect Judit Bankó (mother's name: Gombás Judit; address: 1123 Budapest, Ráth György út 1/c.) to be a member of the Audit Board for the duration of his Supervisory Board membership, dating from the day of this present General Meeting until April 29, 2008.

Resolution of the General Meeting No. [...] /2006 (draft)

By the proposal of the Board of Directors, the General Meeting of the Company elects Ms. Judit Bankó (mother's name: Gombás Judit; address: 1123 Budapest, Ráth György út 1/c.) to be a member of the Audit Board for the duration of her Supervisory Board membership, dating from the day of this present General Meeting until April 29, 2008.

Consistency with the suggested amendments

ARTICLES OF ASSOCIATION OF BORSODCHEM NYRT.

~~In~~in consistency with the amendments hereof;

drafted in accordance with ~~the~~ Act No. ~~CXLIV~~IV of ~~1997~~on 2006 On Economic Associations ("the Companies Act"). BorsodChem ~~Public Limited company~~Nyrt. - hereinafter referred to as: "the Company"- was established through a merger pursuant to the provisions of the Act No. XIII of 1989 on Transformations.

1. §.

The name and seat of the Company

- 1) Company name: BorsodChem Public Limited Company
Abbreviated company name: BorsodChem Nyrt.
- 2) The seat of the Company: 3700 Kazincbarcika, Bolyai tér 1.
- 3) The establishments (fióktelep) of the Company are as follows:
 - H-1054 Budapest, Szabadság tér 7., Bank Center
 - H-4200 Hajdúszoboszló, Wesselényi út 36.
 - H-3519 Miskolc-Tapolca, Váradi út 5.
 - Berente, külterület, hrsz. 4050.
 - Múcsony, külterület, hrsz. 095/2.
 - 123242 Moscow, Krasznaja Presznja street 7, Russian Confederation

2. §.

The scope of activities of the Company

- 1) According to the TEÁOR '03 classification system of activities, the scope of activities of the Company include the following:

The main activity of the Company:

24.16 Production of raw materials for the plastics industry

Other activities of the Company:

- 24.11 Industrial gas generation
- 24.13 Production of inorganic raw material
- 24.14 Production of other organic raw material
- 24.15 Production of artificial fertilizer and nitrogen compound
- 24.66 Manufacture of other chemical goods not included elsewhere
- 29.24 Manufacture of other general machines not include elsewhere
- 31.20 Manufacture of electric distribution and control appliances
- 40.11 Electric generation
- 40.12 Electric transportation
- 40.13 Electric distribution, trade
- 40.21 Gas generation
- 40.22 Gas distribution, trade
- 40.30 Steam and hot water supply
- 41.00 Water production, treatment and distribution
- 51.12 Agents involved in the sale of fuels, ores, metals and industrial chemicals
- 51.55 Wholesale trade of chemical goods
- 51.90 Other wholesale trade
- 52.63 Other non-store retail trade
- 55.23 Other commercial lodging services
- 60.23 Other land passenger transport
- 60.24 Public road freight transport
- 60.30 Pipeline transportation
- 63.12 Warehousing, storage
- 63.40 Transporting agency activity
- 70.20 Real estate management, sale, mediation and estimation
- 70.32 Management of real estate
- 71.32 Renting of construction machinery
- 71.33 Renting of office machinery and computers

- 71.34 Renting of other machines not included elsewhere
- 72.10 Hardware technical assistance
- 72.21 Software-publishing
- 72.22 Other software consulting, and supply
- 72.30 Data processing
- 72.40 Data base activity, on-line publishing
- 72.50 Repair of office equipment and computers
- 72.60 Other computer activity
- 73.10 Scientific research and development
- 74.11 Legal activities
- 74.14 Business advisory aid
- 74.20 Architectural activities and technical assistance
- 74.30 Technical examination, analysis
- 74.50 Manpower agency activity
- 74.87 Business services not included elsewhere
- 85.14 Other human health services
- 90.01 Sewage gathering and treatment
- 90.02 Waste material gathering and treatment
- 90.03 Removing contamination

3. §.

The term of the Company

~~1)~~ The Company is established for an unlimited period of time.

4. §.

The registered capital, the shares and the Shares Register of the Company

- 1) The amount of the Company's share capital is **HUF 16,670,221,700** (i.e. sixteen billion six hundred seventy million two hundred twenty-one thousand and seven hundred ~~Forints~~Hungarian forints), which consists of

- **76,179,800** (seventy-six million; one hundred and seventy-nine thousand; eight hundred) dematerialized **ordinary shares** with HUF 202 (two hundred and two Hungarian forints) par value each, which form one series of shares; and
 - **6,346,050** (i.e. six million three hundred forty-six thousand and fifty) dematerialised **employee shares** each with a nominal value of HUF 202 (i.e. two hundred and two Forints), which form one series of shares.
- 2) Deleted by the resolution of General Meeting no.21/2004.
- 3-9) Deleted by the resolution of General Meeting no.28/2002.
- 10) At the seat of the Company, the Board of Directors of the Company shall keep a Shares Register, which shall indicate the holders of all provisional and fully paid shares, and, upon request to that effect, the representatives of the shareholders with the data as specified in the present Articles of Association, under the relevant laws. The Board of Directors may, in accordance with the relevant legal regulations, instruct a depository house, an investment company or a financial institution (hereinafter: External Share Registrar) to keep the Shares Register.
- 11-12) Deleted by the resolution of General Meeting no. 28/2002.
- ~~13)~~ 13) The Board of Directors of the Company or the External Share Registrar shall be obliged to enter into the Shares Register ~~or to arrange for entering therein~~ the transferee of provisional ~~and fully paid shares with the data as specified below within three working days of the receipt of the relevant request as specified herein. In accordance with applicable rules of law, the Board of Directors shall be obliged to enter into the Shares Register or to arrange for entering therein the representatives of the shareholders upon request to that effect as specified herein within the same period~~ or fully paid up shares or his nominee in accordance with the applicable laws, immediately after the receipt of the information listed in a) to d) below from the security account keeper.
- For the purpose of registration in the Share Register the shareholders shall be required to give notice -by disclosing the information referred to in f) below- to the Board of Directors of the Company or the External Share Registrar within two working days if they grant a right relating to their shares to third parties affecting the exercise of the shareholders rights or if third parties acquire such rights relating to the shares owned by the shareholders.
- The Board of Directors or the External Share Registrar shall be entitled to refuse entry into the Shares Register ~~or to prohibit registration~~, and ~~shall promptly~~ to delete the relevant ~~interest or have the relevant interest deleted~~, entry from the Share Register upon becoming aware that the transferee of the shares acquired its shares illegally or by neglecting the mandatory procedures as specified by law.
- The data registered in the Shares Register shall be as follows:
- a) the name/firm of the shareholder (representative of the shareholder);

- b) the precise address/seat of the shareholder (representative of the shareholder);
- c) in the case of shares being in joint ownership, the name/firm and address/seat of the joint representative;
- d) the shareholding of the shareholder (number of shares, total nominal value, the amount of payment in the case of provisional shares and the total votes due to the shareholder);
- e) the date of entry of the shareholder into the Shares Register, the date of any subsequent share acquisition, its shareholding, the date of deletion of part of its shareholding, together with the data relating to the particular share acquisitions (number of shares, total nominal value)
- f) the rights of third parties relating to shares owned by shareholders which affect the exercise of shareholder's rights (including, inter alia, a right of use or usufruct established over a share), the name and precise address/registered seat of such third parties and the duration of the transfer of these rights to the aforementioned third parties.

The Board of Directors shall comply with the requests by shareholders made directly to the Company (that is not via a shareholder identification process conducted by the Central Clearing House and Depository (Budapest) Ltd. at the request of the Company) for registration into the Share Register up until the 5th working day (inclusive) day preceding the relevant corporate event (e.g. General Meeting, payment of dividend).

~~14) An entry into the Shares Register may be requested in writing by the transferee of the provisional and fully paid shares (in this Clause hereinafter referred to as the "shares") from the Board of Directors at any time after a share transfer. The written application shall include the data as specified under Clause 13 of Section 4 hereof, and shall be accompanied by the extract of the securities account of the applicant or a copy certified by a public notary thereof which certifies that the shares requested to be registered in the share register were credited on the securities account of the applicant.~~

~~As an alternative to the above, the fact that the Central Clearing House and Depository (Budapest) Ltd. has notified the Company about the number of the ordinary shares and the name / registered seat of the person / company (and/or its representative) having acquired the share is sufficient.~~

~~15) The owner of shares shall be liable for all damages suffered by anyone by providing false information in the application for the entry into the Shares Register.~~

13/A) The Board of Directors of the Company or the External Share Registrar shall enter into the Share Register the results of the shareholder identification procedure (in Hungarian: 'tulajdonosi megfeleltetés') initiated for the purpose of closing the Share Register prior to a General Meeting in such a way that simultaneously with the entering of such results into the Share Register it shall delete all formerly registered entries therefrom. The rules

applicable to the shareholder identification procedure are set out in the relevant protocol of KELER Rt. (or its successor).

13/B) Between two General Meetings the Board of Directors of the Company or the External Share Registrar shall continuously update the data entered into the Share Register upon the most recent shareholder identification procedure in accordance with Clause 13/A) on the basis of the notices received from the security account keepers pursuant to Clauses 13 and 19) and, if applicable, from the shareholders.

14) Deleted by the resolution of General Meeting no.[•]/2006.

15) Deleted by the resolution of General Meeting no.[•]/2006.

16) The shareholder's rights cannot be exercised, in relation to the relevant shares, against the Company until definitively entered into the Shares Register.

17) Deleted by the resolution of General Meeting no.28/2002.

18) Deleted by the Resolution of General Meeting no.7/2002.

19) ~~19)~~—If ~~the ownership of a~~ shareholder registered in the Shares Register ~~transfers its shares or any part thereof, then it shall be obliged to inform the Company of this fact, together with indicating the number of such shares, within ten days of such transfer~~over his shares (or any part thereof) ceases as a result of the debiting of his securities account, the securities account keeper shall give notice thereof to the Board of Directors of the Company or the External Share Registrar within two working days of the debiting of the account. On the basis of such notification, ~~the Board of Directors shall be entitled to delete the shareholder or the transferred shareholding from the Shares Register.~~ of the securities account keeper, the Board of Directors of the Company or the External Share Register shall promptly register the change in the Shares Register.

~~If the shareholder is in breach of its above obligation, it shall be obliged to pay a penalty to the Company. After a delay of 365 days, the amount of the penalty shall be 1%/year of the total nominal value of the transferred shares.~~

The shareholders shall give notice to the Board of Directors of the Company or the External Share Registrar within two working days if a right of a third party affecting the exercise of the shareholders rights attached to the shareholders' shares which are registered in the Share Register ceases to exist. On the basis of such notification of the shareholder, the Board of Directors of the Company or the External Share Register shall promptly register the change in the Shares Register.

20) ~~19)~~The shareholder bears ~~an~~-unlimited liability for its statements made ~~during the share certification process~~in connection with his registration in the Share Register.

5. §.

The transfer of shares, the rights attached to the shares

and the main obligations of the shareholders

- 1) The owner of the ordinary shares may transfer its shares to legal persons, economic associations without legal personality as well as to natural persons - both Hungarians and foreigners - without any limitation.
- 1/A) The employee share may only be transferred to the employees of the Company, or to persons whose employment relationship is terminated due to retirement. In the event of the termination of the employee's employment relationship, excluding the case of retirement or the death of the employee, the Company shall, at the first General Meeting after the occurrence of the event, cancel the employee shares in question by reducing the share capital, or shall decide to sell such shares after transforming them into ordinary shares, preference shares or interest-bearing shares.

In the event of the death of the employee, at the first General Meeting following the date of the descent, the Company shall cancel the employee shares in question by reducing the share capital, or shall decide to sell such shares after transforming them into ordinary shares, preference shares or interest-bearing shares, ~~unless the successor demands, by submitting to the Board of Directors of the Company a written request at the latest by the 5th (fifth) day preceding the General Meeting resolving on the cancellation or the transformation, that the Company shall not cancel or transform the employee shares owned by the successor.~~ Under this section, the date of the descent is:

- (i) the date of the death of the decedent, if no probate is held;
- (ii) the date when the order of distribution providing for the transfer of the inheritance with full effect becomes final, if a probate is held;
- (iii) the date when the judgment of the court becomes final, in the event of inheritance proceedings.

- 1/B) Upon the cancellation of shares or the transfer of shares following the transformation thereof, the former employee – including ~~the successor, if on the basis of section 1/A above he did not demand that the Company shall not cancel or transform his employee shares~~ – shall be entitled to the ~~following proportion of the~~ nominal value of the ~~employee shares:~~ shares, which shall be paid to him within 30 days of the cancellation or transformation.

	The reason for the termination of the employment relationship
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Annex 1. to Board Resolution No. 83

	notice by the employee	extra-ordinary notice by the Company	other reason
Until the date of the termination of the employment relationship			
the First Performance Criteria was not fulfilled	5%	0%	10%
the First Performance Criteria was fulfilled in due time, but the Partial Cancellation did not take place	27.5%	0%	55%
the First Performance Criteria was fulfilled within the extra deadline, but the Partial Cancellation did not take place	22.5%	0%	45%
the First Performance Criteria was fulfilled within the second extra deadline, but the Partial Cancellation did not take place	12.5%	0%	25%
the First Performance Criteria was fulfilled, the Partial Cancellation took place and the Second Performance Criteria was not fulfilled	5%	0%	10%
the Second Performance Criteria was fulfilled in due time	50%	0%	100%
the Second Performance Criteria was fulfilled within the additional deadline	40%	0%	80%
the Second Performance Criteria was fulfilled within the second additional deadline	20%	0%	40%

1/C If ~~the~~ cancellation of the employee share did not take place in accordance with section 1/~~B~~A, then the Company shall cancel the employee shares as follows:

- ~~(+)~~ (i) in the event of the fulfilment of the First Performance Criteria, 50% of the employee shares held by the individual employees shall be cancelled. In the case of such a cancellation, the employee shall be entitled to the following proportion of the nominal value of the employee share:

- if the First Performance Criteria was fulfilled in due time, 100% of the nominal value;
- if the First Performance Criteria was fulfilled within the extra deadline, 80% of the nominal value;
- if the First Performance Criteria was fulfilled within the second extra deadline, 40% of the nominal value.

~~(ii)~~ ~~in (ii)~~ In the event of the fulfilment of the Second Performance Criteria, all of the employee shares held by the individual employees shall be cancelled. In the case of such a cancellation, the employee shall be entitled to the following proportion of the nominal value of the employee share:

- if the Second Performance Criteria was fulfilled in due time, 100% of the nominal value;
- if the Second Performance Criteria was fulfilled within the extra deadline, 80% of the nominal value;
- if the Second Performance Criteria was fulfilled within the second extra deadline, 40% of the nominal value

1/D The General Meeting shall resolve on the cancellation of the employee shares. In the event of the cancellation of shares, the amount to which the employee is entitled shall be disbursed within a period of thirty days, ~~or for former employees, within a period of one year, respectively,~~ following the cancellation or transfer of the shares.

1/E In the interpretation of section 5. § 1/~~B~~C-1/D, the definitions shall have the following meaning:

“First Performance Criteria” shall mean the successful testing of the Company’s new MDI unit using the Company’s own technology and having a capacity of 80 kt/year, its successful capitalisation according to the International Financial Reporting Standards (IFRS), the production of products with commercial quality, the start of commercial activity and the commencement of market enlargement. The First Performance Criteria

- (i) is fulfilled in due time if, according to the related written opinion of the Board of Directors, these conditions have been satisfied by 30 April 2006;
- (ii) is fulfilled within the first extra deadline, if these conditions have not been satisfied in due time, but, according to the related written opinion of the Board of Directors, they have been satisfied within the extra deadline set by the Board of Directors;
- (iii) is fulfilled within the second extra deadline, if these conditions have not been satisfied within the first extra deadline, but, according to the related written opinion of the Board of Directors, they have been satisfied within the second extra deadline set by the Board of Directors.

“Second Performance Criteria” shall mean that the Company’s new MDI unit has been utilised by at least 82% during two consecutive quarters of a respective year. The Second Performance Criteria

- (i) ~~(iv)~~ is fulfilled in due time if, according to the related written opinion of the Board of Directors, these conditions have been satisfied by 30 April 2007;
- (ii) ~~(v)~~ is fulfilled within the first additional deadline, if these conditions have not been satisfied in due time, but, according to the related written opinion of the Board of Directors, they have been satisfied within the extra deadline set by the Board of Directors;
- (iii) ~~(vi)~~ is fulfilled within the second extra deadline, if these conditions have not been satisfied within the first extra deadline, but, according to the related written opinion of the Board of Directors, they have been satisfied within the second extra deadline set by the Board of Directors.

“Partial Cancellation” shall mean the cancellation of the employee shares in accordance with section 5. § 1/C (i).

- 2) The shares of the Company can be acquired pursuant to the statutory rules applicable to the acquisition of influencing interest in public companies and in compliance with the by-laws of the Budapest Stock Exchange.
- 3) ~~The An~~ owner of shares may ~~apply for an entry of its name~~ be entered into the Shares Register in accordance ~~herewith~~ with the provisions of these Articles of Association.
- 4) In accordance herewith a shareholder shall be entitled to attend the General Meeting, initiate issues to be discussed, and vote.
- 5) In accordance herewith a shareholder shall be entitled to the part of the distributable profit in accordance of the balance sheet of the Company ordered to be distributed by the General Meeting in proportion to the nominal value of its shares (right to dividends).
- 6) In accordance herewith in case of termination of the Company without legal successor, a shareholder shall be entitled to the part of the distributable assets resulting from the final settlement or the liquidation of the Company, in proportion to the nominal value of its shares (liquidation share).
- 7) A shareholder shall provide the nominal value or - if it is higher - the issue price in accordance herewith; in addition to that, however, a shareholder shall not be liable for the obligations of the Company.
- 7/A) In the case of a right of use or a right of usufruct established over the share of a shareholder in favour of a third party, the shareholder’s rights described in 5.§4-5 shall be exercised by the beneficiary of the right of use or right of usufruct. In such cases for the purpose of §§ 8,12, 13 and 14 of this Articles of Association the person entitled to exercise the shareholder’s rights shall be the beneficiary of the right of use or right of usufruct. However, it will be the shareholder who will be entitled to exercise the priority

subscription right (priority right to take over the new shares) in the case of an increase of the registered share capital by the issuance of new shares. Similarly, it will be the shareholder who will be entitled to the new shares representing the capital increase in the case of the capitalization of the capital reserves by a bonus issue.

- 8) In the event of a capital increase, the shareholder shall pay the entire nominal value of the new shares within one year of the registration of the capital increase in the Companies Register. Within the aforementioned period the shareholder shall pay the aforementioned amount at such time when the Board of Directors so demands in an announcement published in the [newspaper/media](#) where the announcements of the Company are to be published. The exact deadline and place of payment (e.g. bank account) shall be set out in the announcement. The shareholder may fulfil its payment obligation before the publication of the announcement. The shareholder cannot be relieved of any of the above obligations, except in the case of a capital decrease. The shareholder cannot reclaim from the Company its capital contributions that have been provided during the existence of the Company. If in the case of a capital increase the shares are issued at a value higher than their nominal value, the difference shall be fully paid or the respective part of the contribution in kind shall be fully made available to the Company at the time of the subscription for the shares.
- 9) Upon the prior authorisation of the General Meeting, the Company may acquire its own shares. The General Meeting shall set out in its decision the purpose, the method and the conditions of the acquisition of the shares, as well as the term of the authorisation, and – in the case the shares are acquired for a consideration – the minimum and the maximum purchase price that can be paid for the shares by the Company.
- 10) The Company may acquire its own shares without prior authorisation of the General Meeting in order to avoid material damages directly threatening the Company.
- 11) The shareholder of the Company holding at least 75% of the shares with voting rights may – by signing a private document constituting conclusive evidence – initiate delisting of the shares of the Company from the Budapest Stock Exchange. Rules applicable for delisting are contained in the respective effective by-laws on Listing and Trading Rules of the Budapest Stock Exchange.

6. §.

Signing on behalf of the Company

- 1) Signing on behalf of the Company may take place so that in addition to the written or pre-stamped or pre-printed name of the Company, the Chairman of the Board of Directors and the Chief Executive Officer may sign alone, or any two members of the Board of Directors or employees so authorised by the Board of Directors, shall write their own names in a way corresponding to their respective specimen signatures.

7. §.

The business year of the Company

- 1) The Company shall begin to operate on 1 September 1991.

- 2) The first business year of the Company shall commence on the day of the beginning of its operation and shall end on 31 December of the same year. Subsequently, the business year of the Company shall correspond to the calendar year.

8. §.

The General Meeting of the Company

- 1) The ultimate body of the Company shall be the General Meeting consisting of the shareholders. The shareholders may exercise their rights primarily at the General Meeting.
- 2) Unless the Articles of Association otherwise provide, each ordinary share issued by the Company having a par value of HUF 202 (two hundred and two Hungarian forints) provides for one vote.
- 3) The shareholders may exercise their participation and voting rights at the General Meeting personally or through an authorised representative. At the request of the shareholders the Company shall send a representative appointment form to the postal or e-mail address given by the shareholders. In such case, the shareholder may appoint his representative if he fills in the form in accordance with the instructions attached to the form and return the form duly filled in to the Board of Directors of the Company not later than one day prior to the day of the General Meeting. The authorisation shall be included in a notarial document, or in a private document with full validity as evidence, a copy of which shall be handed over at the date and the place designated for this purpose in the notice convening the General Meeting, except if the shareholder has returned the representative appointment form in accordance with the above.
- 4) The authorisation of the representative of the shareholder shall be valid for only one occasion, although its validity may be extended to the General Meeting adjourned and re-held because of the lack of a quorum as well as to a continued General Meeting.

The withdrawal of an authorisation shall only be effective against the Company if submitted to the Chairman of the General Meeting before the opening of the General Meeting, or - if the authorisation refers to voting in the course of a given agenda - before the beginning of the discussion of the given agenda. The rules on granting the authorisation shall apply to the withdrawal of authorisations.

~~The representative of the shareholder cannot be a member~~Members of the Board of Directors or the Supervisory Board, the ~~General Director, or the auditor.~~Chief Executive Officer, the auditor, and the members of the Company's executive management (in Hungarian: 'vezető állású munkavállaló') may not be appointed to act as the representative of the shareholders.

- 5) The conditions of exercising the participation and voting rights of a shareholder at the General Meeting are:
 - a) the shareholder has paid its financial contribution due to the Company;

- b) the owner of a share shall be entered definitively in the Shares Register of the Company ;

~~No shareholder may be excluded from exercising his rights at the General Meeting if the foregoing conditions are met.~~

- c) the Central Clearing House and Depository (Budapest) Ltd. or the securities account keeper has, up to the date of the General Meeting, locked up the shareholder's shares and
- ca) the Central Clearing House and Depository (Budapest) Ltd. has informed the Board of Directors in writing of the lock-up not later than by 3 pm of the working day preceding the day of the ~~general meeting~~General Meeting, or
- cb) the shareholder or its securities account keeper gives evidence to the Board of Directors ~~of the~~of the lock-up of the shares of the shareholder by presenting an ownership certificate issued by the securities account keeper not later than by 3 pm of the working day preceding the day of the General Meeting.

~~No shareholder may be excluded from exercising his rights at the General Meeting if the foregoing conditions are met.~~

- 6) If the conditions set out in Clause 5 are satisfied, the shareholder or its authorised representative, may request its voting card, or its voting block or any other technical instrument used at the general meeting for this purpose accepted by the Board of Directors, appropriate for the identification of the voting person (hereinafter: "voting machine"), at the place of the General Meeting after certifying its identity through signing the list of attendance which entitle him to participate in and vote at the General Meeting.
- 7)-8) Deleted by the Resolution of General Meeting no. 28/2002.
- 9) The Company may hold ordinary or extraordinary General Meetings.
- 10) The ordinary General Meeting shall be held annually before 30 April each year.

The mandatory subjects on the agenda of the ordinary annual General Meeting are:

- the report of the Board of Directors on the business activity in the previous business year, including its proposal for the Company's annual balance sheet,
- the proposal of the Board of Directors for distributing the profits and establishing the dividend,
- the report of the Supervisory Board (verifying the accounts, the balance sheet and the proposals for distributing the profits),
- the report of the auditor (verifying the accounts, the balance sheet and the proposal for distributing the profits),
- accepting the annual report together with establishing the balance sheet, distributing the profits and establishing the dividend,

- evaluation of the work of the members of the Board of Directors performed in the previous business year and decision on the issuance of a release statement ('felmentvény').
- determining the remuneration of the members of the Board of Directors, the Supervisory Board and the auditor.
- approval of the corporate governance declarations to be submitted by the Company to the stock exchanges where its securities are listed.

11) An extraordinary General Meeting shall be convened if the Board of Directors or the previous General Meeting has decided so, or if it has been requested in writing by

- the Supervisory Board or its Chairman, or
- the auditor, or
- shareholders representing at least ~~1/10th~~5% of the votes (indicating the reason and the aim).

An extraordinary General Meeting shall also be convened if

- the Company is obliged to do so by a resolution of the Court of Registration,
- the number of the members of the Board of Directors or of the Supervisory Board falls below the minimum number provided for hereby,
- it is necessary to appoint a new auditor,
- the Company is threatened by insolvency, or the Company has terminated its payments, has become insolvent and its assets do not cover its liabilities,
- the Company has lost at least 1/3 of its registered capital,
- the shareholders' equity of the Company is less than the minimum statutory capital,
- in any other case where, according hereto, the decision on an issue falls within the competence of the General Meeting.

The Board of Directors shall arrange the convening of an extraordinary General Meeting within 30 days of the date on which it becomes aware of a reason to convene an extraordinary General Meeting except if the applicable laws prescribe a shorter period for the convocation of the General Meeting.

12) Shareholders whose voting rights represent at least one ~~tenth~~percent (1%) of the votes—~~hereinafter referred to as: "minority shareholders"~~— may request the Board of Directors - indicating the reason and the aim - to put an issue on the agenda of the General Meeting.

The ~~minority~~ shareholders with at least one percent of the votes may exercise this right within eight days of the publication of the notice convening the General Meeting.

The Board of Directors shall put the proposed issue on the agenda of the General Meeting and shall publish the new issue within 8 days in the same way as the notice convening the General Meeting was published.

- 13) If a General Meeting is convened by the Board of Directors, the proposed items of the agenda shall be informed to the Supervisory Board before the publication of the notice convening the General Meeting.

On the basis of such information, the Supervisory Board may propose, within eight days, to put further items on the agenda provided that a draft of the proposed resolution of the General Meeting is attached to its proposal.

The item of the agenda proposed in accordance with the provisions above shall be put on the agenda of the General Meeting by the Board of Directors in accordance with the Clause 12 even if the Board of Directors disagrees.

- 13/A) The Board of Directors shall invite the auditor of the Company to the meetings of the Board of Directors discussing the items of the agenda of the General Meeting. The auditor shall have a right to speak at these meetings.

- 14) A General Meeting shall be convened by the Board of Directors. The Supervisory Board shall convene a General Meeting if the interest of the Company so requires.

- 15) The invitation to a General Meeting shall be published by the Company, in a way determined for publications herein, 30 days prior to the planned General Meeting, except if the laws otherwise provide.

- 16) The invitation or announcement shall contain the following:

- a) the name and seat of the Company;
- b) the date and place of the General Meeting;
- c) the way of holding the General Meeting;
- d) the agenda of the General Meeting, with the notice if necessary that, for the decision on a given issue, the approval of three quarters of the concerned shareholders is necessary;
- d) the place and time where and when the data necessary for deciding on the issues put on the agenda and the proposal may be inspected;
- e) the provisions included in Clauses 5 and 6 of Section 8 hereof together with the notice that in order to take part and vote at the General Meeting, it is necessary to acknowledge and satisfy them;
- f) Deleted by the Resolution of General Meeting no. 28/2002.
- g) the place and date of the repeated General Meeting in case there is no quorum;
- h) issues stipulated by the Companies Act as required to be published for debate and decision-making on various items on the agenda.

- 16/A The Company shall make available to the shareholders and the market participants the draft resolutions and/or the proposals relating to the items on the agenda of upcoming General Meeting within one working day following their preparation (including their review and approval by the Board of Directors and the Supervisory Board), and if possible at least ~~ten~~fifteen days prior to the General Meeting and the Company shall publish the same ~~on the websites of the Company and the Budapest Stock Exchange~~in the media designated in these Articles of Association in order to inform the shareholders and the market participants and to assist them in making well-founded decisions.

To the extent it is possible the proposals relating to the items on the agenda of the General Meeting shall contain the draft resolutions and their justifications prepared by the Board of Directors as well as the Supervisory Board's opinion and a review of the decisions' expected impact. In connection with the approval of the annual report, the Company shall make public the material conclusions of the reports of the Board of Directors and the Supervisory Board.

In the event the Board of Directors considers that the publication of or the provision of access to the shareholders and market participants to the full text of any given proposal may raise the possibility of a breach of business secrets, the Board of Directors will disclose limited information with respect to the relevant proposal in lieu of the full text. Such limited disclosure shall refer to the breach of business secrets (which would be committed if the full text of the proposal were published) and it shall contain all information that can be made available to the shareholders and market players without violating the business secrets. No breach of business secrets may be invoked with respect to a information the disclosure of which by the Company is required by the applicable laws or the rules of the Budapest Stock Exchange.

Shareholder comments and suggestions made with respect to the proposals relating to the announced agenda of the General Meeting shall be published by the Company in the same way as the proposals, if possible within two working days after their receipt and prior to the General Meeting, thus providing access to the shareholders and market players to these comments and suggestions.

- 16/B) In the event shareholders have not had the opportunity before the day of the General Meeting to be informed about the comments or suggestions made with respect to the proposals relating to any item on the agenda, the Board of Directors shall arrange for the availability of these comments and suggestions to the shareholders at least one hour before the start of the General Meeting at the venue of the General Meeting.
- 17) The agenda of the General Meeting shall be determined by the Board of Directors, but it shall put on the agenda any proposal of the ~~minority~~ shareholders submitted in accordance with Clause 12 of Section 8, and of the Supervisory Board submitted in accordance with Clause 13 of Section 8 hereof.
- 18) Issues not included in the announced agenda may be discussed at the General Meeting only if all shareholders are present, and they so decide unanimously.

- 19) The General Meeting shall have a quorum if it is attended by shareholders - or their duly authorised representatives - representing more than half of the votes attached to the shares ~~entitling to vote~~.
- 20) If the duly convened General Meeting has no quorum in half an hour following the commencement time specified in the invitation, the repeated General Meeting shall be held at the place and time indicated in the announcement. The repeated General Meeting shall be reconvened within 15 days. The repeated General Meeting may also be convened for the date of the original General Meeting. The second General Meeting so convened shall have a quorum with regard to the original agenda irrespective of the number of shareholders present.
- 21) If the General Meeting having a quorum is unable to take decisions on all items on the agenda, it can decide to hold a continued General Meeting within 30 days of the original General Meeting, indicating its time and place.
- 22) The quorum of the continued General Meeting shall be governed by the general rules. The continued General Meeting can only pass decisions on items of the agenda announced for the original General Meeting which were not decided upon by the original General Meeting.
- 23) At the General Meeting, the Chairman of the Board of Directors or another member of the Board of Directors authorised by the Board of Directors for this purpose shall have the chair, in the course of which
 - he shall open the General Meeting,
 - he shall appoint the keeper of the minutes,
 - he shall declare the quorum,
 - he shall allow or refuse to allow a shareholder to speak,
 - he shall order an interval,
 - he shall draft and put to vote the proposals for decision,
 - based on the indication of the vote counters, he shall announce the result of the voting,
 - he shall be responsible for the completion of the minutes and the attendance list,
 - he shall close the General Meeting.
- 24) Prior to the General Meeting, shareholders having voting blocks, voting cards or voting machines may indicate in writing to the Chairman of the General Meeting, that they wish to speak at the General Meeting on an item of the agenda. The comments of the shareholders may not deviate from the item of the agenda indicated and may not take more than five minutes. The Chairman of the General Meeting shall allow those coming forward this way to speak, furthermore, he may allow them to speak for a longer time.

25) The Chairman of the General Meeting may determine the order of comments to the given items of the agenda, may allow or refuse to allow anyone to speak, provided that the right to speak may be only refused if the shareholder who has requested permission to speak in writing is exceeding the time allotted or in the case of deviation from the subject of the agenda in spite of being warned. After the right to speak has been refused or withdrawn, the keeping of the minutes and the technical conditions for commenting (sound amplifying) may be terminated by the Chairman of the General Meeting. The Chairman of the General Meeting may allow deviation from the provision stated in Clause 25 above.

25/A) In order to reply to the potential questions that may be raised at a General Meeting the Chairman of Board of Directors and the Supervisory Board shall arrange for that such number of their members be present at the General Meeting as is required for the passing of valid resolutions by these bodies.

The Chairman of the Board of Directors may invite anybody to the General Meeting and accord him or her the right to speak and comment if, according to his opinion, that person's presence and opinion is necessary or if it advances the provision of information to the shareholders, the passing of resolutions by the General Meeting. In the event the shareholders who have previously requested the amendment of the agenda wish to invite a third party to discuss such additional item of agenda, the Chairman of the Board shall invite that person if so requested in writing by the aforementioned shareholders and the Chairman of the General Meeting shall accord him or her the right to speak and to comment in the course of the discussion of the relevant item on the agenda.

25/B) The Chairman of the General Meeting shall ensure that in responding to questions at the General Meeting the information and disclosure rules of Hungarian law and the rules of the Budapest Stock Exchange shall not be violated.

In the event certain questions at the General Meeting cannot be satisfactorily answered by the representatives of the Company or by the Company's auditor present at the General Meeting, the Chairman of the Board of Directors shall arrange for the publication of the answers on the Company's website, if possible within 3 working days following the General Meeting unless the Company's interests warrant otherwise. If the Company refrains from providing an answer, the Company shall publish a reasoned notice thereof within 3 working days following the General Meeting.

25/C) In the event of an initiative or suggestion relating to a particular issue on the agenda of the General Meeting of which the shareholders have not had a chance to be informed, following the announcement of such initiative/suggestion but prior to passing a resolution thereon the Chairman of the General Meeting may temporarily suspend at his own discretion the General Meeting (taking into account the length and complexity of the initiative or proposal) thereby providing sufficient time for shareholders to form an opinion on the issue. The suspension of the General Meeting by the Chairman of the General Meeting shall not disruption the operation of the General Meeting.

In the event the Chairman of the Meeting considers that the significance of the initiative or suggestion referred to above so warrants, he may propose that the General Meeting

be formally adjourned in order to facilitate well-informed decision-making by the shareholders.

- 26) The Chairman of the General Meeting may decide to exclude publicity and may exclude anyone from the General Meeting, except for the members of the Board of Directors, the members of the Supervisory Board, the auditor, the shareholders having voting blocks, voting cards or voting machines, the representatives authorised to vote on behalf of such shareholders, the professional advisors (who are under a confidentiality obligation due to their profession) of such shareholders, and interpreters of such shareholders.
- 27) Unless the Articles of Association otherwise provide, the General Meeting shall pass its decisions by a simple majority of votes cast by the shareholders present. In the case of an equal number of votes for and against, no valid decision may be taken.

Where the vote is cast with a page of the voting block, the vote cast with a page not clearly made out or with an irrelevant page shall be deemed invalid.

Where the vote is cast with a voting machine, the non-cast votes shall be deemed as absent.

A shareholder having at least 5% of the total nominal value of the total shares of the Company, must, if he intends to vote, vote with all his shares, except for the ones for which registration has been requested from the Board of Directors, but has not yet happened.

- 28) In the cases defined as requiring a qualified majority in ~~subclauses~~sub-clauses a.), b.), c.), h.), i.), j.) k.)~~, l.)~~, and m.) of Clause 41 of Section 8 hereof, a majority equal to three quarters of the votes accepting the proposal of the shareholders present at the General Meeting shall be required.
- 29) Deleted by the Resolution of General Meeting no. 28/2002.
- 30) ~~If a decision adversely changes any right attached to a share class, for the decision to be valid it is necessary to have express approval of the shareholders representing the said share class as described in this Articles of Association. In the resolution of the General Meeting on the changes, the relevant text hereof shall be amended accordingly. The aforementioned decisions shall be validly passed if the shareholders of each of the affected classes of shares vote for the acceptance of the said decisions by casting at least a simple majority of their votes for the approval of the proposal, unless a different majority is required by this Articles of Association or the applicable laws.~~

~~A resolution of the General Meeting aiming at the change of the form of the Company (i.e. public vs. private) may only be passed if, in accordance with the procedure set out in Clause 32) of Section 8 of this Articles of Association, a majority of at least three quarters of the shareholders representing not more than one percent of the votes each consent thereto in advance.~~ A General Meeting

resolution resulting in the de-listing of the shares of the Company from the stock exchange is only permitted if any investor(s) undertake themselves to make a purchase offer in connection with the de-listing being in full accordance with the provisions of the applicable by-laws of the Budapest Stock Exchange.

- 31) ~~The rights attached to a share may also be changed~~ Deleted by the Resolution of General Meeting in a way that the share is transformed into another share class no. [•]/2006
- 32) ~~The~~ If for a corporate decision the laws or these Articles of Association require the separate approval of the affected shareholders, the approval of the shareholders concerned may be granted as follows:
 - a) by their statement of approval included in a private document with full ~~validity~~ evidentiary force as evidence submitted to the Board of Directors by the second working day preceding the General Meeting that is to vote on the decision concerned, or
 - b) by signing immediately prior to the General Meeting a statement of approval delivered to them contemporaneously with their signing of the attendance list when registering for the General Meeting; ~~or~~
 - c) the approvals granted in accordance with ~~subclauses~~ sub-clauses a) and b) above can be added up.
 - d) in the invitation to the General Meeting the Board of Directors shall expressly draw the attention of the shareholders belonging to a class of shares to those items on the agenda of the General Meeting that require their separate prior consent and the methods of giving such consent,
 - e) when adding up the approvals granted in accordance with the above, the Board of Directors shall only take into account the approval of those shareholders who are registered in the Company's share register on the date of the General Meeting voting on the proposal concerned.
- 33) Deleted by the Resolution of General Meeting no. 28/2002.
- 34) Unless the Articles of Association otherwise provide, a decision at the General Meeting shall be made by open voting. Voting by a relevant voting card of the voting block or by the voting machine shall be regarded as open voting.
- 35) In the course of voting, all amendments as well as the original proposals for resolution have to be put to vote, irrespective of whether the proposal has lost its purpose because of a resolution adopted in the meantime.

The General Meeting shall vote first on the proposals for amendment in the order of their submission, and then the original proposal for resolution must be put to vote.

When voting on board members, the General Meeting shall vote on each nomination irrespective of whether or not the number of candidates exceeds the number of open board positions. In the event the number of elected candidates exceeds the number of the available seats, additional polls have to be conducted with respect to the candidates who received equal votes until the number of votes clearly determines the identity of the elected members.

Concerning the discussion of the items on the agenda of the General Meeting relating to the amendment of the Articles of Association, prior to the amendment the General Meeting shall pass a separate resolution determining whether the decisions on the amending proposals will be made in a single resolution, a combined resolution, or in resolutions combined in a specific way, in order to facilitate the smooth and efficient administration of the General Meeting.

- 36) Where, by a lawful decision of the General Meeting, a resolution is passed which is contrary to a previous decision adopted by the General Meeting, the Board of Directors, the Supervisory Board, or another body of the Company, the resolution last adopted by the General Meeting shall be regarded as valid, and that part of any previous resolution contrary to this decision shall cease to be valid.

A resolution adopted by a simple majority of the General Meeting, however, cannot amend a previous resolution hereof or of the General Meeting, the adoption of which requires a qualified majority or unanimity in accordance with the law or with the Articles of Association.

- 37) As its first decision, the General Meeting shall elect from those proposed by the Chairman of the General Meeting, two shareholders or the representatives of the shareholders present to certify the minutes as well as the vote counters. In the case of an unsuccessful election, the Chairman of the General Meeting shall introduce another proposal.

- 38) Minutes must be drawn of the General Meeting containing the following:

- the firm name and seat of the Company;
- the place and time of the General Meeting and the way the General Meeting was held;
- the data necessary for establishing the quorum of the General Meeting;
- the names of the Chairman, keeper of the minutes, minute attester and vote counters of the General Meeting;
- the most significant events of the General Meeting, and the ~~essence of the~~ proposals given;
- the ~~decisions~~ draft resolutions, the number of the votes for them as well as against them, and of those who abstained from voting and the number of the invalid votes;

- the protest of a shareholder, member of the Board of Directors, or member of the Supervisory Board against a decision if it is required by the protestor.
- 39) The minutes shall be signed by the Chairman of the General Meeting as well as by the keeper thereof and it shall be attested by the two elected shareholders.
- 40) The Board of Directors shall send, within 30 days from closing the General Meeting, the certified copy of the minutes of the General Meeting to the Court of Registration, together with the attendance list and the documents certifying the due convening of the Meeting. At the seat of the Company, all shareholders entitled to vote shall have the right to inspect the minutes and the Company shall also publish the minutes on its website. .
- 41) The following issues fall within the exclusive competence of the General Meeting:
 - a) the establishment and the amendments of the Articles of Association, unless this Articles of Association otherwise provides upon authorisation given by applicable laws;
 - b) decision on the change of the form of operation the Company;
 - c) decision on transformation or termination of the Company without legal successor;
 - d) election and removal of the members of the Board of Directors, the Supervisory Board and of the auditor, ~~as well as~~ determining their remuneration, as well as the basic content of the agreement to be concluded with the auditor of the Company;
 - e) approval of the reports pursuant to the Accounting Act, including the decision on the distribution of profits after taxation;
 - f) decision on the payment of interim dividends, unless this Articles of Association otherwise provides upon authorization given by the applicable laws;
 - g) decision on the transformation of the types of shares;
 - ~~h) — decision on the transformation of printed share certificates into electronic shares;~~
 - h) ~~i)~~ changing the rights attached to certain series of shares, and the transformation of categories or classes of shares;
 - i) ~~j)~~ decision on the issue of convertible bonds or bonds with subscription rights, unless ~~this Articles of Association otherwise provides upon the authorization given by~~ the applicable laws otherwise provide;
 - j) ~~k)~~ decision on capital increase, unless ~~this Articles of Association otherwise provides upon the authorization given by~~ the applicable laws otherwise provide;

- k) ~~h)~~ decision on capital decrease, unless this Articles of Association otherwise provides upon the authorization given by the applicable laws;
 - l) ~~m)~~ decision on the exclusion of the exercise of prior subscription (taking over) rights;
 - m) ~~n)~~ decision on the acquisition of own shares (including the authorisation of the Board of Directors to the Company for the acquisition of its own shares) and on the acceptance of a public offer for purchase of own shares, unless otherwise provided by the laws or the present Articles of Association upon the authorization given by the applicable laws;
 - n) ~~o)~~ the approval of the by-laws of the Supervisory Board;
 - o) decision on the implementation of measures which may interfere with a takeover bid;
 - p) binding decision on the principles and framework of the long-term remuneration and incentivization of members of the Board of Directors, the Supervisory Board, and the executive employees;
 - q) election of the members of the Audit Committee;
 - r) approval of the corporate governance declarations to be submitted by the Company to the stock exchanges where its securities are listed;
 - s) ~~p)~~ decision on all issues falling within the exclusive jurisdiction of the General Meeting pursuant to the laws or the Articles of Association.
- 42) Save for those voting for it, a judicial review of an unlawful resolution of the General Meeting may be initiated by:
- any shareholder entitled to vote,
 - any member of the Board of Directors,
 - any member of the Supervisory Board.
- 43) An action can be brought against the Company within 90 days from the passing of the unlawful decision, but within a period of 30 days from obtaining the information.
- Where an action is brought by a member of the Board of Directors, the Company shall be represented by a Supervisory Board member appointed by the Supervisory Board. Where an action is brought by all the members of the Supervisory Board and all the members of the Board of Directors, the Court shall designate a guardian ad litem for the Company.
- 44) A non-shareholder member of the Board of Directors, or the Supervisory Board respectively, shall prove to the Court that on bringing the action, he has the right to sue.
- 45) The shareholder whose behaviour caused the unlawful resolution of the Company shall be liable for all damages and costs of the Company.

9. §.

The Board of Directors

- 1) The Board of Directors is the executive body of the Company, managing the affairs of the Company and representing the Company before the courts and other authorities as well as vis-à-vis third parties, and exercising the employer's rights over the employees of the Company.”

The Board of Directors may - within the framework of the applicable laws, the Articles of Association, and the resolutions of the General Meeting of the Company - decide on any issue which does not fall within the exclusive competence of the General Meeting of the Company. The tasks of the Board of Directors include, inter alia, the following:

- a.) determining strategic guidelines and participation in developing strategy; supervision of business and financial plans, major capital expenditures, acquisitions and divestitures; determining succession policy,
 - b.) setting corporate objectives and continuous oversight of company performance,
 - c.) ensuring the integrity of financial and accounting reports,
 - d.) ~~defining principles of the remuneration for executives,~~ monitoring ~~executive performance~~the management, initiating corrective measures if necessary,
 - e.) managing conflicts of interest, drafting a Code of Corporate Ethics,
 - f.) defining risk-management guidelines,
 - g.) mechanisms to nominate directors and recommendations for their remuneration,
 - h.) defining guidelines for transparency of corporate operations and for disclosure of corporation information, as well as monitoring compliance with those guidelines,
 - i.) continuous oversight of the effectiveness of corporate governance,
 - j.) communication with and reporting to the Supervisory Board,
 - k.) ensuring adequate and timely communication with shareholders. -
- 2) ~~Except~~Employers rights over the Chief Executive, ~~the Board of Directors may delegate the exercising of the employer's rights to a specific person~~ Officer of the Company shall be exercised by the Board of Directors. Employers rights over the other employees of the Company shall be exercised by the Board of Directors in accordance with the provisions of its Rules of Procedure. In its rules of procedure the Board of Directors may allocate the employer's rights to any of its members as well as it may delegate such rights to the employees of the Company.

- 3) The Board of Directors shall comprise 5-9 members, each of whom shall be ~~appointed~~elected for a maximum of three years' term.

The members of the Board of Directors:

Dr. Heinrich Georg Stahl, Chairman of the Board of Directors (address: AT 1130 Vienna Sebastian Brunner Gasse 11; mother's maiden name: Hanna Kraus);

Mr. Tamás Purzsa (address: 3519 Miskolc, Pákozd u. 4/A; mother's maiden name: Mária Oltyán);

Mr. Béla S. Varga (address: 3700 Kazincbarcika, Herbolyai út 33.; mother's maiden name: Ilona Szűcs);

Dr. János Illéssy (address: 2081 Piliscsaba, Bérc utca 020/41. hrsz.; mother's maiden name: Ildikó Csécsy Nagy);

Mr. Timur Rahimkulov (address: 1023 Budapest, Felhévizi út 24. ; mother's maiden name: A Salugina Galina);

Heinrich Pecina (address: AT 2402 Maria Ellend, Hoffstrasse 14; mother's maiden name: Henrietta Fischer);

Mr. Ferenc Bartha (address: 1022 Budapest, Eszter u. 2.; mother's maiden name: Ilona Márton);

Kay Gugler (address: DE 60488 Frankfurt, Praunheimr Landstrasse 154; mother's maiden name: Irmgard Stamm).

The members of the Board of Directors, ~~taking into consideration the restrictions contained in Paragraph (1) of Section 22 of the Companies Act,~~ may also be the executives of other economic organisations also engaged in activities similar to those of the Company, if at least 25% of this economic organisation is owned by the Company.

- 4) The Board of Directors shall elect its Chairman from among its members, by a simple majority of votes of members present at the given meeting of the Board of Directors, whose period of office lasts for three years at most.
- 5) The Chairman of the Board of Directors shall be responsible for the operation of the Board of Directors, therefore:
- he shall arrange for the preparation of the written material concerning the agenda items of the Board of Directors;
 - he shall approve the proposal for inviting a person without voting rights to a meeting of the Board of Directors;
 - he shall convene the meetings of the Board of Directors in accordance with the provisions hereof, and shall appoint an authorised person for convening the meetings of the Board of Directors in case of his absence;

- he shall arrange for the material conditions of the meetings of the Board of Directors;
- he shall chair the meetings of the Board of Directors;
- he shall monitor the implementation of the decisions of the Board of Directors, and shall report on that to the Board of Directors.

In addition to the above listed responsibilities, the Chairman shall be entitled to exercise all rights and shall be responsible for all obligations attaching to the other members of the Board of Directors.

- 6) Deleted by the Resolution of General Meeting no. 36/2004.
- 7) Deleted by the Resolution of General Meeting no. 36/2004. .
- 8) Deleted by the Resolution of General Meeting no. 36/2004.
- 9) Deleted by the Resolution of General Meeting no. 36/2004. ~~.-~~
- 10) Deleted by the Resolution of General Meeting no. 36/2004
- 11) Deleted by the Resolution of General Meeting no. 36/2004.
- 12) Deleted by the Resolution of General Meeting no. 36/2004.
- 13) Deleted by the Resolution of General Meeting no. 36/2004.
- 14) Deleted by the Resolution of General Meeting no. 36/2004
- 15) Deleted by the Resolution of General Meeting no. 36/2004.
- 16) The rules of procedure of the Board of Directors, in accordance of the provisions hereof, shall be established by the Board of Directors itself.
- 17) The Board of Directors shall prepare a proposal on the Company's annual report including the financial statements, the statement on assets of the Company and a proposal on the distribution of profits.
- 18) The Board of Directors shall prepare a report at least once a year for the General Meeting on the management of the Company, the financial situation and business policy of the Company.
- 19) The Board of Directors shall convene a General Meeting and at the same time shall notify the Supervisory Board of such, if:
 - it becomes aware that the Company has lost one third or more of its registered capital, or the registered capital becomes less than HUF 20 million, or
 - the Company ~~has terminated~~is threatened by insolvency or the Company has stopped its payments ~~permanently~~ and its debts are no longer covered by its assets, or

- the Auditor resigns, except if the auditor is a legal person and only the individual auditor who is in charge of the Company changes within the same legal person, or
- the number of the members of the Board of Directors or the Supervisory Board of the Company has fallen below the numbers determined by the Articles of Association.

In the last case, the General Meeting can be convened by the Board of Directors having no quorum, if, due to the decreased number of the Board of Directors, no quorum can be established.

~~20)~~ 20) In order to help well-founded decision making by the Board of Directors the Board of Directors shall elect ~~an audit~~, a nomination and a remuneration committee and a strategy committee from among its members. The rules relating to the formation and operation of these committees shall be set out in the rules of procedure of the Board of Directors and the rules of procedures of these committees which rules shall be approved by the Board of Directors.

Majority of the members of each Committee and the chairman of each Committee except the chairman of the Strategy Committee must be elected from the independent members of the Board of Directors. For the purpose of this section those members shall be regarded independent who are not the employees of the Company or any of its affiliated companies and who do not have any other legal relationship therewith which may give rise to a conflict of interests and may hinder the objective and impartial performance of the Committee's duties.

21) The General Meeting of the Company shall be required to put on the agenda of the annual general meeting the evaluation of the work of the members of the Board of Directors performed in the previous business year and to decide on the issuance of a release statement ('felmentvény'). By approving the release statement the General Meeting confirms that in the period under review the members of the Board of Directors performed their duties with a view to the primacy of the Company's interests. The release statement shall become ineffective subsequently if it is established in a final and binding judgment of a court that the information on which the approval of the release statement was based was untrue or incomplete.

10. §.

The Supervisory Board

- 1) The Supervisory Board shall consist of ~~3~~ 35 to 6 members, who are elected for a maximum of 3 years by the General Meeting.

~~If the Supervisory Board consists of 3 members, one member, and in any other cases,~~ 2 members of the Supervisory Board shall be nominated by the workers' council from among the employees of the Company following receipt of the opinion of the trade unions operating at the Company. Persons nominated by the works' council shall be appointed as members of the Supervisory Board by the next General Meeting following

such nomination, provided that no mandatory reasons for disqualification exist in connection with the persons nominated.

- ~~10. §~~ 1/A) The majority of the members of the Supervisory Board ~~other than the employee representatives~~ must be independent. For the purpose of this section those persons shall be regarded independent who ~~are not the employees of the Company or any of its affiliated companies, and who do not have any other legal relationship therewith which may hinder the objective and impartial performance of the duties of the Supervisory Board~~meet the applicable criteria in Section 309 (2) (3) of the Companies Act.
- 2) The members of the Supervisory Board shall have the right to attend the General Meetings and they shall be entitled to make proposals as to its agenda.
 - 3) The Supervisory Board shall:
 - inspect the management of the Company in respect of questions for which it is entitled to do so, it may request information and data on the Company's operation to report or give information, it may inspect the book keeping and cash desk of the Company;
 - shall examine the annual balance, the financial statements, and the proposal on the establishment of the dividend, and shall prepare a written report on these for the General Meeting; and
 - shall initiate the immediate convening of a General Meeting if it observes any action or omission contrary to the law or the Articles of Association or to the resolutions of the General Meeting or which violates the interests of the Company.
 - 4) Deleted by the Resolution of General Meeting no. [*]/2003
 - 5) The Supervisory Board shall establish its rules of operation and rules of procedure itself, but the rules of operation shall be submitted to the General Meeting for approval.
 - 6) The Supervisory Board shall prepare a written report at least once a year.
 - 7) A meeting of the Supervisory Board shall be convened by the Chairman of the Supervisory Board as and when necessary, or if any member of the Supervisory Board or the Chairman of the Board or the Chief Executive Officer of the Company requests the convening of such meeting.
 - 8) The Supervisory Board shall have a quorum if on its meeting, two thirds of its members, but not less than three members, are present.
 - 9) Minutes of the meetings of the Supervisory Board shall be prepared and signed by the Chairman and the keeper of minutes.
 - 10) If the Supervisory Board requests information from the Board of Directors of the Company, the members of the Board of Directors or the executive employees of the

Company, the requested information must be provided in writing within 10 business days the latest unless the Supervisory Board requests otherwise.

11) The General Meeting shall elect an audit committee consisting of three members (hereinafter: Audit Committee) elected from the independent members of the Supervisory Board.

Responsibilities of the Audit Committee shall be as follows:

- = opine on the annual report drawn up in accordance with the accounting act;
- = making proposal regarding the auditor and its remuneration;
- = preparation of the agreement to be entered into with the auditor;
- = monitoring the enforcement of professional requirements and conflict of interest rules applicable to the auditor, performing the tasks associated with the cooperation with the auditor, if required making proposal for measures to be taken by the Supervisory Board;
- = evaluation of the financial reporting system and making proposals with respect thereto if necessary;
- = supporting the work of the Supervisory Board regarding the appropriate monitoring of the financial reporting system.

11. §.

The auditor

1) ~~The~~On the proposal of the Audit Committee the General Meeting shall appoint the Company's auditor for a period of time determined by the resolution, but for a maximum of 2 years, from the auditors or auditing firms authorised and registered in Hungary which have been entered in the register of auditors accepted by the Budapest Stock Exchange.

The auditor of the Company is:

Deloitte Könyvvizsgáló és Tanácsadó Kft.

address: HU-1068 Budapest, Dózsa Gy út 84/C.

Company registration number: 01-09-071057

Person with personal liability for the audit:

Mr. Tamás Horváth (*mother's maiden name.: Veronika Grósz*)

address: 1029 Budapest 2, Ördögárok u 100

Commencement date of mandate: 1 January 2005

End of mandate: 31 December 2006

- 2) The auditor's task shall be: ~~to~~ to examine the balance sheet and financial statements of the Company, as well as any other reports submitted to the General Meeting, to control the accuracy of information and the compliance thereof with the law and to submit a written report on his findings to the General Meeting. The General Meeting may not pass a valid resolution on a given issue without the said report; ~~and to help and professionally support the work of the Board of Directors and of the Supervisory Board.~~
- 3) The auditor may request information on the management of the affairs of the Company, namely:
- he may inspect the books;
 - he may request information from the members of the Board of Directors and the employees of the Company; and
 - he may examine the treasury, the stock of securities and goods and contracts as well as the bank accounts of the Company.
- 4) The auditor shall inform the Supervisory Board and request that a General Meeting be convened if:
- to his knowledge, a significant reduction in the Company's assets may be expected, or
 - he becomes aware of a fact giving rise to the liability of the executive officials or the members of the Supervisory Board.
- If his proposals are refused, the auditor shall be entitled to convene a General Meeting or if the necessary decisions are not passed by the General Meeting, go to the Court of Registration.
- 5) The ~~auditor shall not be the~~ founder or shareholder of the Company ~~or a member~~ may not be elected as the auditor of the Company. Members of the Board of Directors or the Supervisory Board, ~~or a close relative of any of those persons, or an employee of the Company, or a former employee~~ their close relatives or partner, or employees of the Company may not be elected as auditors of the Company during the existence of the aforementioned legal relationship and for a period of three years ~~from the expiry of his status as an employee~~ after the termination thereof.
- 6) The auditor shall act with the care to be generally expected from persons performing such office, and his liability shall be governed by the general rules of civil law.

12. §.

~~The increase~~ Increase of the registered capital

~~1) An increase in the registered capital by the way of paying a cash contribution may take place only if the nominal value of the shares issued previously by the Company has been fully paid up by the shareholders.~~

1) Deleted by the Resolution of General Meeting no. [●]/2006.

2) The registered capital may be increased on the basis of the resolution of the General Meeting, except where the Board of Directors has been authorised to do so by ~~the Articles of Association~~ a resolution of the General Meeting.

3) The registered capital may be increased by issuing new shares, on the account of the capital above the registered capital, by issuing employee shares, and by issuing bonds convertible as conditional registered capital increase. The registered capital may only be increased via the issuance of new shares if the nominal value or the issue price of the shares previously issued by the Company has been fully paid up by the shareholders and the non-cash contribution has been fully delivered to the Company.

4) In addition to and complying with the framework provided for by the Companies Act the General Meeting shall establish detailed rules for increasing the registered capital as required, especially:

- the class, type, nominal value and initial value of the new shares to be issued as well as the timing of the payment, the rights attached to the share class, and how rights attached to already existing share classes will be effected,
- whether the capital increase shall be public or private, with the exclusive take-over rights of the persons previously designated by the General Meeting,
- the opening and closing dates for the subscription for the shares,
- which business year gives first entitlement to the shareholder to his/her annual dividend in respect of the shares to be issued.

4/A) The decision of the General Meeting on the capital increase shall only be valid if the shareholders of the share type or share class directly affected by the capital increase separately approve the capital increase with at least $\frac{3}{4}$ majority of the votes in accordance with rules set out in 8. § 32-32/A). This requirement shall also apply to the decision of the General Meeting authorizing the Board of Directors to increase the registered capital.

5) If the registered capital is increased in return for consideration in cash, the shareholders of the Company- with the shareholders belonging to the same series of shares as the shares to be issued in priority of other shareholders- , the holders of convertible bonds and the holders of bonds with subscription rights in the same rank shall, in this order, ~~be granted with priority subscription rights in respect of the shares to be issued relating to the increased part of the registered capital in accordance with the terms and conditions set forth in the~~ have a priority subscription right as provided for in 12.§ 6) of these Articles of Association. ~~In the case of a capital increase by way of a private issue of new shares, the above priority subscription rights shall~~

~~mean rights for prior taking over. The pre-subscription right (right to prior taking over).~~ The priority subscription right shall be granted to those shareholders who are validly registered in the Company's share register (as owners of the shares) on the date of the approval of the relevant resolution on the capital increase.

- 6) The Board of Directors shall publish in the "Cégeközlöny" (Company Bulletin) the announcement of the decision on the Company's capital increase in return for consideration in cash within 2 (two) business days after such decision has been passed. The purpose of the above publication is to inform the shareholders (and the bondholders, if applicable) of the possibility of exercising their rights for priority subscription, the nominal value and the subscription price of the shares and the ~~term—being a minimum of 15 days—of (including the commencement and closing dates for) exercising~~ date of the period of minimum 15 days open for the exercise of the above ~~rights~~ right. The commencement date cannot be earlier than the day following the date of publication of the announcement in "Cégeközlöny". If a shareholder so requests via email, the Company shall give the shareholder the above information by e-mail. If the shareholders would like to exercise their priority subscription rights in respect of more shares than are to be issued by the Company, the shareholders shall be entitled to subscribe for new shares in proportion to the nominal value of their shares. In case of fraction, the number of shares, in respect of which the rights for subscription can be exercised, shall be rounded down, regardless of the value of the fraction.
- 7) Upon the written proposal of the Board of Directors, the General Meeting is entitled to exclude the exercise of rights for priority subscription. In such case the Board of Directors shall present in its proposal the reasons for the exclusion of the exercise of the above rights ~~and the planned subscription price of the shares~~. The Board of Directors shall set out the advantages resulting from such exclusion of the exercise of the priority subscription rights on the Company's side. ~~The~~ In other respects the rules of discussion of the above proposal are the same as the general rules ~~of~~ applicable to the discussion of proposals submitted to the General Meeting ~~set out in the present Articles of Association~~. The General Meeting shall ~~decide~~ vote on the acceptance of the above proposal ~~together with~~ and the exclusion of the exercise of priority subscription rights jointly. The Board of Directors shall file the Court of Registration with the above decision and shall publish the contents of its decision in the "Cégeközlöny" (Company Bulletin).
- 8) In the case of the Company's capital increase is carried out by way of a private issue of new shares in return for contribution in kind, the decision of the General Meeting approving the capital increase shall designate the persons on the basis of their letter of intent who shall be entitled to take over the new shares. The type, class, number of the shares to be taken over by the designated persons, as well as the series, nominal value and subscription rights of the shares must also be determined in the decision of the General Meeting.

In the case of the Company's capital increase is carried out by way of a private issue of new shares in return for contribution in cash, the decision of the General Meeting approving the capital increase shall designate the persons on the basis of their letter of

intent who shall be entitled to take over the new shares, provided always that the persons who were entitled to exercise their rights for priority subscription have failed to exercise their priority rights or the General Meeting excluded the exercise of such rights. The type, class, number of the shares to be taken over by the designated persons, as well as the series, nominal value and issue value must also be determined in the decision of the General Meeting.

If the persons designated by the General Meeting have not subscribed as many shares as would correspond to the proposed capital increase before the closing date established for the subscription, the increase in the registered capital shall be regarded unsuccessful.

- 9) The Company may increase its registered capital by transforming its capital surplus, or part thereof into registered capital if the amount necessary for such capital increase is available on the basis of the balance sheet in the business report of the previous year prepared in accordance with the Accounting Act or on the basis of the interim balance sheet of the given year, the registered capital of the Company shall not exceed the amount of the Company's own capital as amended pursuant to the Accounting Act following the capital increase. The increase in the registered capital - based on the annual or interim balance sheet - shall take place by crediting new shares or by changing the shares.

In the case of increasing the registered capital in this way, the new shares shall be credited to the existing shareholders (without any counter value) pro rata to their shares. The General Meeting may only deviate from this rule by a resolution taken by a qualified (three quarter) majority in cases provided for in the applicable laws.

- 10) The Board of Directors ~~shall be authorized for a period of five years as from 1 January 2004 to increase the Company's capital with a maximum total amount of HUF 5,000,000,000 i.e. five billion Hungarian forints. This authorization applies to all types of capital increase stipulated by the Companies Act. In the event that the Board of Directors decided on the capital increase the Board of Directors shall be entitled as well as obliged to amend the Articles of Association. If the Company has issued shares belonging to different classes, has been authorised by~~ the resolution of the General Meeting [No. 47/2003. dated 17 December 2003](#) to increase the ~~Company's registered capital or to temporarily delegate the power to increase the Company's registered capital shall only be valid if the shareholders of each class have cast at least 1/3 of the votes represented by each class in favour of the increase of the registered capital or the temporary delegation of the power to increase the registered capital, as the case may be. As regards the aforementioned voting procedure, Clause 32) of Section 8 of this Articles of Association shall be applicable.~~ [registered capital of the Company.](#)

13. §.

A reduction in the registered capital

- 1) A reduction ~~in~~of the registered capital of the Company shall be carried out through the withdrawal of the Company's own shares, if the Company owns shares.
- ~~2) If the Company issued shares of different series, in the event of a registered capital decrease, except for the case of an obligatory decrease specified in the Companies Act, for a valid decision of the General Meeting, it is necessary to obtain the approval of a three quarters majority of the shareholders of each share series concerned. For obtaining such approval provisions of Clause 32 of Section 8 shall apply accordingly.~~
- 2) The decision of the General Meeting on the reduction of the registered capital shall only be valid if the shareholders of the share type or share class directly affected by the capital increase separately approve the capital increase with at least $\frac{3}{4}$ majority of the votes in accordance with rules set out in 8. § 32-32/A).
- 3) If the Company has no shares in its ownership, or the total nominal value of such shares is less than the amount of the proposed reduction in the registered capital, then the reduction of the registered capital in its entirety or to the extent of that amount above the nominal value of the shares in the Company's ownership and which have been withdrawn respectively, shall be carried out through changing the shares.

14. §.

The rules of the distribution of profits

- 1) At the end of each business year an annual report shall be prepared on the assets of the Company, and the General Meeting shall be solely entitled to approve such annual report. Upon the prior authorisation of the Supervisory Board, the Board of Directors shall also be entitled to approve the intermediate balance sheet of the Company in connection with the Company's acquisition of its own shares, payment of dividends and the application of the Company's assets that are in excess of its share capital for capital increase purposes.
- 2) Shareholders are entitled to the dividends, which can be paid on the basis of the applicable laws, proportionate to the nominal value of their shares from the Company's after-tax profits in a given year, determined pursuant to the Accounting Act, as supplemented by the available accumulated profit reserve as the case may be, provided always that the General Meeting has approved the business report to be prepared pursuant to the Accounting Act. The General Meeting shall be entitled to decide on the payment of dividends upon the proposal of the Board of Directors which have been approved by the Supervisory Board. The dividends may also be provided for the shareholders as dividend in kind. A shareholder may only be entitled to dividends in proportion to its capital contribution that has already been performed. Dividends payable on the Company's treasury shares shall be regarded as dividend due to shareholders in proportion to their shares.

- 3) Dividends shall be paid upon the resolution on the payment of dividends has been passed. A period of at least 20 business days shall elapse between the date of the resolution on and the commencement date of the payment of dividends. The shareholders shall be notified, at least 10 business days of the commencement date of the payment of dividends by way of a public announcement, of the commencement date, the place and the order of the payment of dividends, as well as of dividends per share adjusted by the amount of dividend per treasury share. Between the dates of publishing the aforementioned Announcements and commencing dividend payment, the Company acts in a way that the stock of treasury shares may not be subject to any changes. With respect to shares listed on the stock exchange, the Company requests a certificate of shareholder identification from the Central Clearing and Depository House (Budapest) Rt. until the commencement day of dividend payment.
- 4) The preconditions of the payment of dividends are:
- a) the owner of the share shall have been validly registered in the Share Register of the Company;
 - b) the Central Clearing and Depository House (Budapest) Rt. shall have certified in writing that the shareholder is the registered shareholder of the shares;
 - c) the payment of dividends shall comply with the then applicable laws, in particular the provisions of the Companies Act on the protection of the assets of the companies.
- 5) During the period between the ~~approvals~~approval of two consecutive business reports prepared pursuant to the Accounting Act, the General Meeting may decide on the payment of interim dividends, ~~if its conditions set out by the Companies Act are met.~~ Interim dividend may only be declared if (i) on the basis of the interim balance sheet drawn up in accordance with the accounting act it can be established that the Company has the financial sources necessary for the payment of the dividend with the proviso that the distribution may not exceed the amount of the profit earned since the closing of the books of the financial year of the most recent annual report drawn up in accordance with the accounting act as supplemented by the free capital reserves calculated in accordance with the accounting act and, further provided that the shareholders equity of the Company adjusted in accordance with the accounting act does not fall below its registered capital as a result of the distribution, and that (ii) the shareholders undertake to repay the interim dividend if subsequently it is established on the basis on the annual report drawn up in accordance with the accounting act that – on the basis of the applicable capital maintenance rules- no dividend may be paid.
- 6) Instead of the General Meeting, the Board of Directors shall also be entitled to decide on the payment of interim dividends with the prior approval of the Supervisory Board. The ~~provisions on dividends shall apply~~rules applicable to dividend payment shall be applicable mutatis mutandis to ~~interim dividends as provided for by~~the interim dividend payment in accordance with the special rules applicable thereto provided in the Companies Act and ~~the present~~these Articles of Association.

15. §.

Notices

Company announcements

The Company publishes its announcements in the paper entitled Magyar Tőkepiac. In cases stipulated by the law, the given announcement shall also be published in the Company Bulletin. Providing statutes and/or the regulations of the Budapest Stock Exchange render possible, the Company can publish its announcement electronically on the Internet as well.

16. §.

Settlement of Legal disputes

- 1) ~~Any Corporate~~ disputes ~~arising from or defined~~ in ~~connection with the breach, termination, validity or interpretation hereof~~ the Companies Act –to the maximum extent made possible by the Companies Act- shall be settled by the arbitration court of the Hungarian Chamber of Commerce and Industry ~~having~~ (hereinafter: Arbitration Court) with exclusive jurisdiction. The Arbitration Court shall proceed in accordance with its own rules of procedure and against whose decision there shall be no appeal whatsoever.
- ~~2)-2)~~ In order to settle any legal disputes Hungarian laws, as from time to time in force, shall apply.

17. §.

Others

- 1) At the end of each business year the books of the Company shall be closed, and the ~~balance sheet, draft distribution of profit, and annual financial statements have to be drawn~~ annual reports and consolidated annual reports must be drawn up in accordance with the applicable laws and regulations and submitted to the General Meeting for approval.
- 2) With regard to issues not included or not fully regulated herein, the provisions of Act ~~CXLIV of 1997 in force at the time of executing this document shall apply in such a way that its provisions allowing any difference may only be taken into account if the Articles of Association do not stipulate otherwise~~ CXX of 2001 on the Capital Market, the Companies Act and the Civil Code – in this order- shall be applicable.
- 3) The Articles of Association are prepared in Hungarian and English, and in the case of any discrepancies the Hungarian version shall prevail.

- 4) The provisions printed in italics and incorporated herein in a unified edition shall come into force as amendments hereto, by the relevant resolution of the General Meeting dated ~~29 April 2005~~[\[●\]](#)/[\[●\]](#)/2006.

Budapest, ~~28 April~~[\[●\]](#)/2006

The above text was consolidated on the basis of the resolution of the General Meeting dated ~~28 April~~[\[●\]](#)/2006 amending the Articles of Association by:

RULES OF PROCEDURES OF THE SUPERVISORY BOARD OF BORSODCHEM NYRT.

I.

RESPONSIBILITIES OF THE SUPERVISORY BOARD

- 1/ The Supervisory Board (or “SB”) oversees the work of the Company’s Board of Directors and the operation of the Company on behalf of the General Meeting.
- 2/ The Supervisory Board performs its functions as a collective body in accordance with the Act IV. of 2006 on Business Associations (‘Companies Act’), the Articles of Association, the resolutions of the General Meeting and the provisions of these rules of procedure.

3/ Responsibilities of the Supervisory Board

3.1 Responsibilities of the Supervisory Board include amongst others

- to review the annual balance sheet, the profit and loss statement of the Company and the proposal regarding the payment of dividend and to prepare a written report on the foregoing for the General Meeting,
- to review the interim balance sheet of the Company prepared in connection with acquisition of treasury shares, payment of interim dividend or increase of the registered capital out of the capital reserves of the Company and to prepare a written report on the foregoing for the General Meeting, and/or the Board of Directors,
- to review all major commercial policy reports on the agenda of the General Meeting, and all proposals relating to issues which fall within the exclusive scope of competence of the General Meeting and to prepare a written report on the foregoing for the General Meeting,
- to initiate the prompt convocation of the General Meeting if it discovers any act or abuse which infringes the applicable laws, the Articles of Association or the resolutions of the General Meeting or which materially harms the interests of the Company,
- to report on the findings of its operation, including its experiences gained in connection with the operation of the committees of the Board of Directors- at least once a year to the General Meeting with a simultaneous provision of information on the foregoing to the Board of Directors.

3.2 The Chairman of the Supervisory Board shall attend the General Meetings of the Company and he shall procure that such a number of the Supervisory Board are present at the General Meetings as is necessary for the due passing of resolutions by the SB in order to respond to the issues raised at the General Meeting.

The Chairman of the SB or the person designated by him (for a specific case or for a given period) shall attend the meeting of the Board of Directors with a right to speak.

3.3 If the General Meeting is convened by the Board of Directors, the proposed agenda of the General Meeting must be communicated to the Supervisory Board prior to the publication of the notice on the convocation of the General Meeting. The Supervisory Board shall be entitled to propose the amendment of the agenda within 8 days of the foregoing attaching the draft resolution of the General Meeting relating to its proposed amendment.

II.

MEMBERS OF THE SUPERVISORY BOARD

- 1/ Members of the Supervisory Board shall be elected by the General Meeting –in the case of the employee representatives upon the nomination by the works council- in such numbers and for such terms as prescribed in the Articles of Association.
- 2/ On the date of these rules of procedure according to the Articles of Association the Supervisory Board has 5-9 members 1/3rd of whom (i.e. if the Supervisory Board consists of 5 or 6 members 2, otherwise 3 members) are employee representatives. The term of office of the members of the Supervisory Board shall be 3 years from the date of their election unless the applicable resolution of the General Meeting provides otherwise. The members shall accept their election in a written statement in which they declare that no statutory disqualification applies to them.
- 2.1/ The majority of the Supervisory Board shall be made up of persons who are independent from the Company. Applying this provision those person shall be considered independent from the Company who meet the conditions determined by Paragraph (2)-(3) Section § 309 of the Companies Act. The members of the Supervisory Board – before being elected – shall inform the Board of Directors and the general meeting on every personal circumstance which precludes their independency from the Company. The member of the Supervisory Board shall resign from his/her office if - due to any change in personal circumstances – the given member can not be considered independent any more and as a consequence of this the non-independent members would get into majority within the Supervisory Board.

Prior to their election the members of the Supervisory Board shall notify the Board of Directors of their membership held in other Supervisory Boards. Subsequent to their election to the SB of the Company the members shall give notice to the Board of Directors within 15 days of their election to a Board of Directors or Supervisory Board of other companies.

- 3/ In accordance with the Companies Act, a person may not become a member of the Supervisory Board if he

- has been sentenced to imprisonment by a final court judgment due to the commission of a crime until such person is relieved from the legal consequences of his criminal record,
 - has been barred from being an executive officer or Supervisory Board member by a final court judgment, during the force of such ban,
 - has been barred from a certain profession by a final court judgment, if the Company pursues the activity indicated in such judgment as its main activity, during the force of such sentence,
 - was – during the calendar year preceding the cancellation – an executive officer at a company that has been cancelled from the companies register based on a winding-up procedure, for a period of two years of the cancellation of that company;
 - or one of his close relatives is a member of the Board of Directors of the Company,
 - is an executive officer or a member of the Supervisory Board of a business association with a business line which is also pursued by the Company unless the Articles of Association of the Company allows or if the General Meeting consents to the foregoing.
- 4/ The member whose membership on the Supervisory Board may not be maintained due to a change in his personal circumstances – including if he is prevented from performing his duties for a prolonged period- shall report the foregoing in writing promptly to the SB and to resign from his position.
- 5/ The membership of SB members shall terminate upon
- the expiry of their term of office;
 - their removal (employee representatives may only be removed upon the initiative by the works council);
 - resignation,
 - the occurrence of a disqualifying event described by the law,
 - their death.
- 6/ Members of the SB may resign from their office at any time, however, if the operation of the Company so requires, the resignation shall only become effective on the 60th day following the declaration of resignation unless the General Meeting elects or could have elected a new member to the SB by that date. Until the effective date of the resignation, the member of the Supervisory Board shall take part in the making of urgent decisions and the performance of such duties.
- 7/ Each member of the Supervisory Board shall be entitled/required to

- take part in the work of the Supervisory Board and through his active involvement to advance the successful operation of the Company,
- take part in the investigations and reviews scheduled or conducted by the SB,
- attend the meetings of the SB and to make proposals for the agenda of the meetings relating to any issues regarding the Company,
- request the recording in writing his dissenting opinion in the minutes of the meeting of if he disagrees with a proposal at the meeting of the SB and he maintains his position even after the discussion of that issue,
- propose the convocation of the meeting of the Supervisory Board if he thinks such convocation necessary,
- inform the Supervisory Board of any fact he learns and which has a detrimental effect on the operation of the Company, the management of its assets or administration,
- represent the SB at the request of the Chairman of the Supervisory Board or the SB on events or at meetings organized by the Company.

8/ Members of the SB shall maintain the confidentiality of all information they learn in connection with the performance of their tasks; this obligation shall survive the termination of their membership on the Supervisory Board.

9/ The employee representative participating in the work of the Supervisory Board shall inform the employees of his work performed as a member of the Supervisory Board without infringing any business secrets. The scope of business secrets shall be defined by the Chairperson of the SB in accordance with the applicable laws.

The employee representative members of the Supervisory Board shall have the same rights and shall be subject to the same obligations as the other members of the Supervisory Board.

If the opinion of the employee representatives unanimously diverges from the majority opinion of the Supervisory Board the opinion of the employee representatives must be disclosed at the General Meeting.

10/ Members of the Supervisory Board may only exercise their rights and discharge their obligations in person, it is not possible to attend the meeting of the SB via a proxy.

11/ Members of the SB may not be given instructions either by the shareholders or the Board of Directors of the Company in their capacity as members of the SB.

12/ Members of the Supervisory Board shall carry out their supervisory tasks with an increased care. The members of the SB shall bear joint, several and unlimited

liability – in accordance with the provisions of the Civil Code pertaining to joint negligence – for the damage caused to the Company by a breach of their duties.

- 13/ Members of the Supervisory Board shall receive monthly compensation in an amount set by the General Meeting which shall be due and payable by the 10th day of the next month via bank transfer to the bank account designated by the members of the SB.
- 14/ Members of the SB shall be entitled to request the reimbursement of the reasonable costs they incurred in connection with the operation of the SB (travel expenses, accommodation, petty expenses, other justified costs) within a maximum of 30 days from the date of their maturity in accordance with the financial and accounting rules of the Company. The payment of the aforementioned amounts shall be approved by the Chairman of the SB, and in the case of the Chairman of the SB by the Chairman of the Board of Directors. In case of a dispute the payments shall be approved by the Board of Directors.

III.

SUPERVISORY POWERS OF THE SUPERVISORY BOARD

- 1/ The Supervisory Board performs its functions on the basis of an annual work plan which is prepared for the business year of the Company.
- 2/ The supervisory powers of the SB includes the supervision of the operation of the Company and the Board of Directors from a legal as well as an efficiency perspective, however, the Supervisory Board shall not be involved in the operative management of the Company and it shall not be entitled to issue instructions to the Board of Directors.
- 3/ The SB may assign the performance of certain of its monitoring tasks to any of its members and it may also divide these responsibilities between its members on a permanent basis. Such a division of responsibilities, however, shall not affect the liability of the members of the SB or the right of the members to extend their monitoring to other areas falling within the scope of the SB's supervisory powers.
- 4/ The SB shall be entitled to engage outside advisors at the expense of the Company to perform its functions if it is justified.
- 5/ The Supervisory Board shall be entitled to request information or report from the Board of Directors, the members of the Board of Directors or the executive employees of the Company and it may inspect the books and other documents of the Company. If the Supervisory Board requests information from the Board of Directors, the members of the Board of Directors or the executive employees of the Company regarding a certain issue, it shall be provided in accordance with the Articles of Association, in writing, within 10 working days at the latest - unless the Supervisory Board requests otherwise.

5/1 If the Supervisory Board is of the view that the operation of the Board of Directors is in breach of the applicable laws, the Articles of Association or the resolutions of the General Meeting or otherwise harmful to the interest of the Company or its shareholders, the Supervisory Board shall be entitled to convene the General Meeting and make a proposal for its agenda.

6/ The Supervisory Board conducts *scheduled investigations* on the basis of its annual work plan and *targeted investigations* if so required during the business year. The scheduled and the targeted investigations shall be carried out either by the SB itself or the Controlling Office of the Company. The Controlling Office of the Company shall send its written reports prepared on the investigations it conducted to the Chairman of the SB.

The head of the organizational unit subject to an upcoming investigation shall be informed in due time of the investigation.

On the targeted investigations of the Supervisory Board outside the scope of the scheduled investigations minutes must be taken or a report must be prepared which must be communicated to the persons affected and it must also be delivered to the Board of Directors. Interested persons may comment the content and conclusion of the investigation.

The head of the organizational unit affected by the investigation may be present at the investigation/review and may comment the conclusions drawn from the investigations.

Investigations must be scheduled and carried out in such a way that they may be discussed at the next ordinary meeting of the SB following their closing. An extraordinary meeting of the SB must be initiated if the conclusions of the investigations so necessitate.

7/ The work of the Supervisory Board is supported by an audit committee consisting of three independent members of the Supervisory Board elected by the general meeting ('Audit Committee'). The Audit Committee assists the Supervisory Board to exercise proper control of the financial reporting system and – in case of need – tables recommendations for taking measures.

The term of office of the members of the Audit Committee shall correspond to their term of office as members of the Supervisory Board.

IV.

OPERATION OF THE SUPERVISORY BOARD

1/ At the first meeting of the Supervisory Board when no Chairman is elected yet the members of the SB shall elect a Chairman from among its members. The responsibility of the Chairman shall include amongst others:

- coordination and direction of the work of the Supervisory Board as a collective body,
- representation of the standpoint of the Supervisory Board at the General Meetings and vis-à-vis third parties; the Chairman of the Supervisory Board shall designate a member of the SB to represent and communicate the views of the SB at the General Meeting and the meetings of the Board of Directors in case he were unable to attend the foregoing,
- convocation of the SB, securing the technical conditions of the meetings, chairing the meetings; if the Chairman does not attend a meeting he shall designate a member of the SB to chair the meeting in his absence,
- administration of circular resolutions (voting in writing),
- safekeeping of the documents of the SB with the assistance of the Secretary of the SB,
- participation in the work of the Committees of the Board of Directors in accordance with the applicable rules of procedures,
- taking any and all acts which are necessary to secure the continuous and lawful operation of the Supervisory Board in accordance with the applicable laws.

In case the Chairman is hindered in performing his duties, his duties shall be performed by an SB member designated by the Chairman (whether for a specific case or for a certain period of time). If is possible the Chairman should provide prior written notice of his being prevented from discharging his duties also indicating the cause and duration thereof, to the Chairman of the Board of Directors and the members of the Supervisory Board.

2/ The meetings of the Supervisory Board shall be held as required but at least four times a year.

The Supervisory Board shall hold its meeting within 30 days but at least 16 days prior to the Annual General Meeting and in other cases quarterly.

3/ At its meetings the SB shall discuss:

- the summary reports of the Board of Directors prepared on the operation and financial position of the Company and delivered to the SB,

- the report of the Chairman regarding issues relating to the tasks of the SB which have arisen since the last meeting of the SB including the experiences of the Chairman regarding the work of the Committees of the Board of Directors,
 - the reports on investigations,
 - the proposal made by the members of the SB.
 - the submissions made by the Audit Committee.
- 4/ Meetings of the Supervisory Board shall be convened by the Chairman of the SB via sending written invitation thereto. Further, any member of the SB as well as the Audit Committee itself shall also be entitled to initiate the convocation of the meeting of the SB in writing specifying the reason and the aim of the proposed meeting. The Chairman shall arrange for the convocation of the meeting within 8 days for a date within 30 days. If the Chairman fails to comply with his aforementioned duty the initiator of the convocation of the meeting shall itself be entitled to convene the meeting.
- 5/ The invitation must set out the date and time, place and agenda of the meeting. The member proposing a given item of the agenda must prepare a detailed written – or in expressly justified situation verbal- proposal regarding the relevant item on the agenda. The member making a proposal shall be required to submit the related written documents in such time that it do not hinder the decision-making by the Supervisory Board.
- Apart from extraordinary cases the invitation must be sent to the members of the SB in a documented form (e.g. letter, e-mail or fax) and delivered to the members at least 8 days prior to the proposed date of the meeting.
- 6/ In extraordinary cases the meeting of the Supervisory Board may also be convened by telephone or any other means of telecommunication without complying with the 8-day deadline requirement set out in the preceding paragraph. However, such a meeting of the Supervisory Board will only have a quorum if (i) it can be established by appropriate evidence (e.g. fax or e-mail return receipt notice) that all members of the Supervisory Board have been notified of the date and time and the agenda of the meeting of the Supervisory Board, and (ii) the majority of the members of the Supervisory Board attend such a meeting and none of the members present object the holding of a meeting.
- The place and venue of the meetings of the Supervisory Board shall be set by the Chairman of the Supervisory Board.
- 7/ Meetings of the Supervisory Board may be attended by any person with a right to speak whose attendance of the meeting is considered necessary by the Chairman of the Supervisory Board and who are invited thereto accordingly.

8/ In specific cases the Chairman of the Supervisory Board may order a closed meeting which may be attended by the members of the Supervisory Board only.

9/ The meeting of the Supervisory Board shall have a quorum if at least 2/3 of its members but at least 3 members are present at the meeting.

For the purpose of the quorum requirements a member of the Supervisory Board shall also be regarded as being present if he takes part in the meeting by way of such telecommunication means (telephone, video, etc.) which enables him to follow the meeting continuously and simultaneously as well as to expose his opinion relating to the meeting immediately and to cast his votes. In these cases the member chairing the relevant meeting of the Supervisory Board shall verify the identity of the members attending the meeting as described above as necessary.

If the meeting is inquorate, the meeting shall be reconvened for a date at least 3 days after the original date. The repeated meeting of the Supervisory Board shall have a quorum if at least 2/3 of its members but at least 3 members are present at the meeting.

10/ Each members of the Supervisory Board shall have one vote. Voting at the meetings shall take place in open voting. The Chairman may order secret voting if a member proposes it. Secret voting may not be ordered if any member(s) of the Supervisory Board take(s) part in the meeting by way of telecommunication means. In the case of a tie vote the proposal shall be considered rejected.

11/Minutes must be taken of the meetings of the Supervisory Board. The minutes shall set out:

- the place, date and time of the meeting of the Supervisory Board and the names of those present at the meeting with an indication of their respective functions,
- items on the agenda,
- a summary of the comments, amendments and proposals relating to the items on the agenda,
- the outcome of voting,
- the resolutions passed,
- the signature of the keeper of the minutes and the Chairman of the Supervisory Board as attestors of the minutes.

If a member so requests, the reasons of his abstention or vote against a proposal must be recorded in the minutes of the meeting of the Supervisory Board. The minutes shall be sent by the Chairman to the members of the members of the Supervisory Board, the Chairman of the Board of Directors and the auditor.

The minutes of the meeting of the SB must be signed by the Chairman and the keeper of the minutes.

- 12/ To assist the work of the Supervisory Board a Secretary will help its operation who will be employed by the Company on the basis of a labour law relationship. The Secretary shall be responsible for the management of the administrative aspects of the work of the Supervisory Board, including convocation of the meetings of the Supervisory Board, preparation of the minutes of the Supervisory Board and the related documents. The Secretary of the Supervisory Board shall also be responsible for the document management of the Supervisory Board - as a part of the foregoing it shall affix to the documents an identification number and date (year, month and date) and organize and file them accordingly.

The Secretary shall be designated by the Chief Executive Officer of the Company after having requested a proposal from the Chairman of the Supervisory Board. The availability of the Secretary and the technical conditions of the operation of the Supervisory Board shall be secured by the head of the Secretariat of the Board of Directors.

- 13/ Passing resolutions by the Supervisory Board without holding a formal meeting

13.1 The Supervisory Board shall also be allowed to pass resolutions without holding a formal meeting provided that a majority of the members of the Supervisory Board cast their votes. In such cases a resolution will be validly passed if it receives a simple majority of the votes cast. In the case of a tie vote the proposal shall be considered rejected.

13.2 Draft resolutions proposed to be approved without holding a formal meeting must be communicated to the members of the Supervisory Board in writing by setting an eight-day deadline to cast their votes in writing (e.g. via post or fax).

13.3 It is not necessary to wait until the receipt of all votes if (i) it can be established by appropriate evidence (e.g. fax or e-mail return receipt notice) that the draft of the resolution proposed to be approved has been delivered to all members of the Supervisory Board, and (ii) if following receipt of 50% + 1 vote the approval or rejection of the proposal may be clearly established which result may not possibly change even after all votes are received. The Chairman of the Supervisory Board shall inform the members of Supervisory Board of the result of such voting in writing.

13.4 If in connection with a voting relating to a proposal proposed to be approved without holding a formal meeting a member of the Supervisory Board so requests the meeting of the Supervisory Board must be convened in accordance with the general rules set out above. The requested meeting of the Supervisory Board must be held even if a resolution has already been validly approved in accordance with 13.3 above meanwhile without the participation of the member of the Supervisory Board initiating the holding of a formal meeting in the voting which has resulted the approval of the said resolution.

14/ If the number of the members of the Supervisory Board falls below the minimum number set out in the Articles of Association (5) or if there is not anybody who could convene the meeting of the Supervisory Board, the Board of Directors shall convene the General Meeting in order to restore the lawful operation of the Supervisory Board.

V.

MISCELLANEOUS

- 1/ These rules of procedure and their amendments shall be approved by the General Meeting and they will enter into force on the day following the aforementioned approval by the General Meeting.
- 2/ For the purposes of these rules of procedures the contact details of the members of the Supervisory Board are set out in Schedule 1 attached hereto. These contact details may be modified by a notice to the Chairman of the Supervisory Board by the relevant person.
- 3/ As of the approval of these rules of procedures the rules of procedures of the Supervisory Board dated 29 April 2005 shall be repealed.

Budapest, [*] 2006

Dr. Zoltán Varga	[*]
Chairman of the Supervisory Board	Secretary of the Supervisory Board

Members:

.....
Zsolt Bukszár	Dr. Zoltán Varga

.....
Csaba Fácán	Judit Bankó
.....
Dr. Christian Riener	Dr. Christoph Herbst

These rules of procedures were approved by:

Resolution of the Supervisory Board No. 25/22.09.2006

Resolution of the General Meeting No. [*/2006

Schedule 1**Members of the Supervisory Board**

Name	Date of election of the member of the SB	Postal address (Home address)	Phone number(s)	Fax number(s)	E-mail address
Dr. Zoltán Varga	28.04.2006	Budapest, Pf. 394 1537 Budapest	457-6833 224-1947		zovarga@cib.hu
Mr. Zsolt Bukszár	01.05.2006	3770 Sajószentpéter, Eperjesi út 28	48/511-515		Bukszar.Zsolt@borsodchem.hu
Ms. Judit Bankó	29.04.2005	1126 Budapest, Szendrő köz 3/B	462-7957		jbanko@gbt.hu
Mr. Csaba Fáczás	01.05.2006	3700 Kazincbarcika, Pollach M út 10. 8/3	48/512-300		Faczan.Csaba@borsodchem.hu
Dr. Christoph Herbst	08.09.2004	Dr. Karl Lueger- Platz 5. A-1010 Vienna Austria	43-1-904-2180/133 43-1-904-2180/210		christoph.herbst@hbw.at
Dr. Christian Riener	28.04.2006	Tegetthoffstrasse 7/2. A-1010 Vienna Austria	43-1-514-17142 43-1-514-17300		riener.c@vcpag.com