

APPENDIX 1 AND 2/B TO THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON JUNE 26, 2014
CONSOLIDATED VERSION OF THE COMPANY'S STATUTES

**Zwack Unicum Likőripari és Kereskedelmi Nyilvánosan
Működő Részvénytársaság**

Statutes

(Consolidated version effective as of June 26, 2014)

B u d a p e s t

Year of Foundation of the Joint Stock Company

1992

(Legal Predecessor: Zwack Unicum Budapest Likőrgyár és Kereskedelmi Kft.)

Statutes

Taking into consideration the provisions of Act V of 2013 on the Civil Code ("**Civil Code**"), we hereby provide for the Statutes of **Zwack Unicum Likőripari és Kereskedelmi Nyilvánosan Működő Részvénytársaság** which has been established by the transformation of the Zwack Unicum Budapest Liqueur Industry and Trading Ltd. (registration number: 01-09-062 790) by private foundation as of September 30, 1992 in accordance with the regulations of Act VI of 1988 on Economic Associations as amended, as well as Act XXIV of 1988 on the Investments of Foreigners in Hungary as amended, as follows^{1 2}:

(I) The name of the Company³

- 1.1 The name of the Company: **Zwack Unicum Likőripari és Kereskedelmi Nyilvánosan Működő Részvénytársaság**
- 1.2 The abbreviated names of the Company: **Zwack Unicum Nyrt.**

(II) Seat and business premises of the Company^{4 5 6}

Seat of the Company: H-1095 Budapest, Soroksári út 26.

Branch offices: H-6000 Kecskemét, Matkói út 2.
H-2330 Dunaharaszti, Irinyi János u. 7.⁷

(III) Scope of activity of the Company

- 3.1 Scope of activity of the Company in accordance with the new statistical classification TEÁOR 2008 introduced as of January 1, 2003, shall be as follows:^{8, 9 10}

The main activity of the Company:

11.01 Distilling, rectifying and blending of spirits

Other scopes of activity of the Company:

11.02 Manufacture of wine from grape
11.03 Manufacture of cider and other fruit wines
11.04 Manufacture of other non-distilled fermented beverages
11.07 Manufacture of soft drinks; production of mineral waters and other bottled waters

¹ The text concerning the founders of the Company has been deleted pursuant to the resolution of the 1999 AGM.
The founders of the Company were:

Peter Zwack & Consorten AG (CH-8305 Dietlikon, Industriestrasse 31) and
Budapesti Likőripari Kft. (H-1095 Budapest, Ipar utca 15-21.)

² Text modified in accordance with the resolution of the AGM held on June 26, 2014.

³ Text modified and inserted in accordance with the resolution of the AGM held on June 29, 2006

⁴ Text modified and inserted in accordance with the resolution of the AGM held on April 24, 2002.

⁵ Text modified and inserted in accordance with the resolution of the AGM held on June 30, 2005

⁶ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

⁷ Text amended by the AGM held on April 22, 2004.

⁸ The statistical classification of the Company's activity has been re-classified pursuant the resolution of the 1998 AGM.

⁹ Text subsequently modified in accordance with the resolution of the AGM held on April 29, 2003.

¹⁰ Modified pursuant to the resolution of the June 26, 2008 AGM.

41.10	Development of building projects
46.17	Agents involved in the sale of food, beverages and tobacco
46.34	Wholesale of beverages
46.39	Non-specialised wholesale of food, beverages and tobacco
47.25	Retail sale of beverages in specialised stores
47.29	Other retail sale of food in specialised stores
47.61	Retail sale of books in specialised stores
47.91	Retail sale via mail order houses or via Internet
52.10	Warehousing and storage
58.14	Publishing of journals and periodicals
58.19	Other publishing activities
62.01	Computer programming activities
62.03	Computer facilities management activities
63.11	Data processing, hosting and related activities
63.12	Web portals
64.20	Activities of holding companies
64.91	Financial leasing
64.92	Other credit granting
64.99	Other financial service activities, except insurance and pension funding n.e.c.
68.10	Buying and selling of own real estate
68.20	Renting and operating of own or leased real estate
68.32	Management of real estate on a fee or contract basis
70.21	Public relations and communication activities
70.22	Business and other management consultancy activities
73.11	Advertising agencies
73.12	Media representation
82.92	Packaging activities
82.99	Other business support service activities n.e.c.
91.02	Museums activities

(IV) Duration of the Company

The Company is founded for an indefinite period of time.

(V) The registered capital and shares of the Company

- 5.1 The share capital of the Company is: **HUF 2,035,000,000** (two billion thirty five million Hungarian Forint).¹¹¹²
- 5.2 The share capital of the Company consists of a cash contribution of HUF 364,340,000 and in-kind contribution of HUF 1,670,660,000.¹³¹⁴
- 5.3 The share capital of the Company shall consist of: **2,000,000** (two million) Series "A" registered common shares, each of which shall have a par value of HUF 1,000 (one thousand Hungarian Forint) and **35,000** (thirty five thousand), Series "A" registered redeemable liquidation preference shares, each having a nominal value of HUF 1,000 (one thousand Hungarian Forint).¹⁵¹⁶ Within one category of shares, the Company may only issue shares with the same face value. Within one category of shares, several series of shares may be issued, which shares may not differ in their face value or method of production.¹⁷
- 5.4 [Deleted.]

¹¹ Text amended in accordance with the resolution of the Shareholders Meeting held on March 30, 1993 AGM.

¹² Text amended by the Board of Directors resolution dated November 8, 2007

¹³ Text amended in accordance with the resolution of the Shareholders meeting held on March 30, 1993.

¹⁴ Text amended by the Board of Directors resolution dated November 8, 2007

¹⁵ Text amended by the Board of Directors meeting dated November 8, 2007

¹⁶ Text amended in accordance with the resolution of the Shareholders meeting held on March 30, 1993.

¹⁷ New text inserted in accordance with the resolution of the GM held on April 28, 1999.

[NOTE: Provisions referring to the founders may be deleted with regard to the time elapsed since the foundation.]

- 5.5¹⁸¹⁹ The Ordinary Shares are dematerialized shares. The dematerialized security is a data complex created, recorded, transmitted and registered in an electronic format, identifiably containing all material information pertaining to the securities, as defined in Act CXX of 2001 on the Capital Market ("**Capital Market Act**") and in other specific legislation; an exclusively registered security, which does not have a serial number, and the owner's name as well as the data identifying the owner is recorded in the register (the security account) kept on behalf of such owner. The Company shall issue a document which shall not be deemed a security, in one copy, place it in the central depository, and simultaneously request the central depository to create the security. The dematerialized shares shall be issued with the content and formal requirements set forth in Section 315 (3) of the Civil Code.
- 5.6 The registered common Shares of the Company shall be equal, without any kind of restrictions, in all respects concerning the rights attached thereto.
- 5.7²⁰ The General Meeting or - on the basis of the authorization of the General Meeting - the Board of Directors, subject to the prior written approval of the Supervisory Board may adopt a decision to issue registered redeemable liquidation preference shares as set forth herein, in an amount that does not exceed ten per cent of the registered capital of the Company from time to time, which shares provide the Company with a call option and the registered holders of such shares with a put option as well as with a liquidation preference (in each case on the terms of this Section 5.7).
- 5.7.1 Redeemable liquidation preference shares do not entitle their owners to any voting rights. On a return of capital on termination of the Company without legal successor, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority: (a) first, in paying to each holder of redeemable liquidation shares, in respect of each such share of which it is the holder, a sum equal to the nominal value of each such share and (b) second, the balance of such assets (if any) shall be distributed amongst the holders of the ordinary shares in the capital of the Company *pari passu* according to the amount paid up on each such share.
- 5.7.2 The Company may exercise its call option (being of an *in rem* nature) with respect to any redeemable liquidation preference share at any time without any time limitation by giving a written declaration to the relevant holder(s) of the redeemable liquidation preference shares. The Company's call option is to be exercised by the Board of Directors, subject to the prior written approval of the Supervisory Board.
- 5.7.3 A registered shareholder of redeemable liquidation preference shares may exercise its put option (being of an *in rem* nature) concerning the redeemable liquidation preference shares at any time after the date being 10 (ten) years following the relevant date of issue of such shares by giving a written declaration to the Company.
- 5.7.4 In the event that the Company or the shareholder exercises its call or put option the following provisions shall apply (subject always to Section 5.7.5):

¹⁸ The modifications relating to Section 5.5 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

¹⁹ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

²⁰ Amended in accordance with the resolution of the AGM held on June 28, 2007..

- (i) in the event that the shareholder is an employee of the Company and transfers or charges the share to any other person, or in the event that the shareholder is an employee of the Company and his/her employment is terminated by the ordinary termination of the employee or by the extraordinary termination of the employer, the purchase price of each redeemable liquidation preference share subject of the option shall be its nominal value;
- (ii) in the event that the shareholder is an employee of the Company and his/her employment is terminated by the ordinary termination of the employer or by mutual consent of the parties or as a result of the expiry of the definite duration of his/her employment, the purchase price of the redeemable liquidation preference shares subject of the option shall be the price determined pursuant to Section 5.7.4(v) below for all of the shares owned by the shareholder but multiplied by a proportion that equals the ratio between the number of years passed between the commencement of the shareholder's employment and the termination of the shareholder's employment and the number of years passed between the commencement of the shareholder's employment and his/her retirement age. This limitation may not be applied in the event that the employment of the shareholder is terminated as a result of his/her retirement or in the event that more than ten (10) years have passed from the commencement of the employment.
- (iii) in the event that the original holder of the redeemable liquidation preference shares is deceased and such shareholder has a surviving spouse:
 - (a) who was validly designated in a last will and testament of the shareholder - made not later than 3 months from the date of issue of the relevant shares - as the heir of his/her shares, and
 - (b) who effectively inherits the shares without any third party claims related thereto,

the Company may exercise its call option with respect to forty (40%) per cent of the inherited shares. The purchase price of the redeemable liquidation preference shares so redeemed shall equal (a) the aggregate nominal value of such shares multiplied by the ratio between the stock exchange closing price of the common shares of the Company on the day preceding the issuance of the shares and the stock exchange closing price of the common shares of the Company on the day preceding the sale plus (b) the amount of the respective inheritance duty payable on the inheritance of such shares. In the event that the surviving spouse deceases, the Company can exercise its call option with respect to the remaining sixty (60%) per cent of the inherited shares at any time thereafter at a price equal to their nominal value plus the amount of the respective inheritance duty.

- (iv) in the event that the original holder of the redeemable liquidation preference shares is deceased and the conditions in Section 5.7.4 (iii) are not fulfilled, the Company shall have the right to exercise its call option in relation to 100% of the liquidation preference shares inherited from the original shareholder and the purchase price of the redeemable liquidation preference shares so redeemed shall equal to their aggregate nominal value.

- (v) in all other cases, the purchase price of the redeemable liquidation preference shares so redeemed shall equal the aggregate nominal value of such shares multiplied by the ratio between the stock exchange closing price of the common shares of the Company on the day preceding the exercise of the call or put option and the stock exchange closing price of the common shares of the Company on the day preceding the issuance of the redeemable liquidation preference shares, to which resultant sum the average of the dividends paid on such shares of the three years preceding the exercise of the call or put option multiplied by five (5x) shall be added save that²¹:
- (a) in the event that less than three years have passed following the issuance of the share, the average of the dividends paid on such shares shall be calculated on the basis of the period passed;
 - (b) in the event that the shareholder is an employee of the Company and the period of his/her employment is shorter than five years, the above fivefold multiplier shall be decreased by one (1) after each missing year;
 - (c) in the event that the shareholder is an employee of the Company and the employee is older than sixty years (including the case where the shareholder is a pensioner retired from the Company), the above fivefold multiplier shall be increased by an additional half (0.5) after each year (5.0, 5.5, 6.0, 6.5, etc.). The multiplier may not exceed eight (8); and
 - (d) the purchase price of the redeemable liquidation preference shares calculated pursuant to this point (5.7.4 (v)) may not be less than its nominal value, but cannot exceed the stock exchange closing price of the common shares of the Company on the day preceding the exercise of the call or put option.

5.7.5 If the shareholder is an employee of the Company and his employment is terminated by the extraordinary termination of the employer, in the event that the shareholder exercised its put option within 3 (three) months before the extraordinary termination, but following the occurrence of the ground for the extraordinary termination, the shareholder is obliged to reimburse to the Company the difference between the purchase price received for the redeemable liquidation preference shares and their nominal value.

5.7.6 The purchase price of the redeemable liquidation preference share is to be paid within 15 days following receipt of the written declaration on the exercise of the call or put option.

5.7.7 The Company may exercise its call option and perform its obligations arising in connection with the shareholder's put option regarding those shares only for which the shareholder has paid the par value or the issue price in full, and if the shareholder in question has provided his in kind contribution to the Company.

5.7.8 The above rights may not be exercised if the Company is not authorized to distribute any dividend under applicable laws. The content of the annual report and the interim balance sheet may be taken into account in connection with determining whether there is enough

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Precised by the Resolutions of the June 16, 2008 AGM.

coverage for the exercise of the call or put option within a six-month period following the date of the balance sheet.

5.7.9 The Company must retire the redeemed shares pursuant to the rules governing the mandatory reduction of the registered capital.

[NOTE: The new Civil Code does not contain the obligation on publication and notifying the court of registration.]

5.8^{2223 24} It is the duty of the Board of Directors - according to the regulations concerning the issuance of dematerialized securities - to issue the shares. Upon the request of a Shareholder, consolidated shares may also be issued in the same series of shares.

[NOTE: The provisions on the management of the securities account should not be indicated in the Statutes, as the legal relationship between the shareholder and the keeper of the account cannot be validly regulated in the Statutes.]

5.9^{2526 27} At the issuance of securities as dematerialized securities, the Company shall issue a single written document which shall not be deemed as a security and which shall contain:

- (a) all elements of the security as is set forth by law, with the exception of the name of its holder;
- (b) the resolution on the issuance and the date of the resolution;
- (c) the aggregate face value of the entire series issued;
- (d) the number and face value of the securities issued; and
- (e) the signatures of two members of the Board of Directors of the Company in accordance with the rules concerning the procuration.

In the event that the data specified in points (a), (c) and (d) above are modified as a result of the Company's resolution to issue additional shares within the same series, the Company shall issue a new document by invalidating the formerly issued one at the same time.

The Company shall deposit the document specified in the present point at the Central Clearing House and Depository (Budapest) Private Company Limited by Shares ("KELER Plc.") and at the same time shall mandate KELER Plc. to produce the dematerialized security.

5.10²⁸²⁹

5.11³⁰³¹

²² The modifications relating to Section 5.7 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

²³ Renumbered and amended in accordance with the resolution of the AGM held on June 28, 2007.

²⁴ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

²⁵ The modifications relating to Section 5.8 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004. The provisions proposed to be deleted shall become ineffective as of the same date.

²⁶ Renumbered and amended in accordance with the resolution of the AGM held on June 28, 2007.

²⁷ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

²⁸ The text proposed to be deleted in Section 5.9 of the Statutes shall become ineffective on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

²⁹ Renumbered in accordance with the resolution of the AGM held on June 28, 2007.

³⁰ The text proposed to be deleted in Section 5.10 of the Statutes shall become ineffective on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the

5.12³² Conversion of the share type and category:

5.12.1³³

5.12.2 If a resolution is passed at a Shareholders Meeting on the conversion of any categories of shares of the Company, the Board of Directors, at the cost of the Company, shall issue the converted shares to the shareholder within 120 days following the date of the relevant resolution. In such case, the Board of Directors shall simultaneously call and invalidate the shares that are being converted.³⁴

5.12.3 [Deleted in accordance with the resolution of the AGM held on June 26, 2014].³⁵

[NOTE: The Civil Code does not contain this rule anymore and keeping it could endanger the issuance of liquidation preference shares (as that affects indirectly the rights of the ordinary shareholders to liquidation quota), therefore we recommend the deletion thereof.]

5.13³⁶³⁷ ³⁸ Listing and de-listing of shares on the stock exchange

The resolution relating to the listing of the shares on the stock exchange shall be the competence of the Shareholders Meeting. The shares may be de-listed from the stock exchange on the basis of the resolution passed by the Shareholders Meeting by a $\frac{3}{4}$ majority.

5.14³⁹ ⁴⁰ In case the Company has issued shares of different types or classes, the explicit consent of the holders of the types or classes of shares which are directly affected (in other words, the holders of the same types or classes of shares) by the capital increase, to be obtained as set forth in Section 11.5 of these Statutes is required for the increase of the share capital as a pre-condition for the general meeting resolution adopted for the increase of share capital to take effect. This provision shall also apply to the general meeting resolutions adopted to authorize the management board to increase the capital. A share type or share class shall be considered as directly affected by the capital increase if shares incorporating the same rights are issued.

[NOTE: Pursuant to Section 3:293 (2) of the Civil Code, the Statutes shall specify which type of shares is considered “affected”.]

(VI) Rights and obligations of the Shareholders

6.1 The Shareholders, under the conditions set forth in the law and the present Statutes of the Company, are obliged;

submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

³¹ Renumbered in accordance with the resolution of the AGM held on June 28, 2007.

³² Renumbered in accordance with the resolution of the AGM held on June 28, 2007.

³³ The text proposed to be deleted in Section 5.11.1 of the Statutes shall become ineffective on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

³⁴ Section 5.10 was amended and Section 5.11 was inserted into the Statutes pursuant to the resolution of the AGM held on May 30, 1995.

³⁵ Text amended at the AGM held on April 28, 1999.

³⁶ Inserted as new text in accordance with the resolution of the AGM held on April 29, 2003.

³⁷ Renumbered in accordance with the resolution of the AGM held on June 28, 2007.

³⁸ Text amended by resolution of the AGM held on June 28, 2012.

³⁹ Inserted by the resolutions of the June 28, 2007 AGM.

⁴⁰ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

- (a) to effect payment for their shares;
- (b) to pay twice the prime rate of the Hungarian National Bank per annum for the period of their overdue payment and contribution, respectively;
- (c) to notify the Board of Directors in relation with their acquisition of interest in the Company and the decrease of such acquisition in accordance with the Capital Market Act;⁴¹
- (d) to report the transfer of their shares within 8 days of such transfer provided that the shareholder was registered in the Share Register.⁴²

6.2 The Shareholders are entitled according to the provisions of the law and of the present Statutes:

- (a) to a share certificate,
- (b) to dividends as declared from the after-tax profit of the Company,
- (c) to the proportional part of the liquidated assets in case of liquidation of the Company,
- (d) to the transfer of their shares,
- (e) to take part in the Shareholders Meeting, to make notices and motions, and the Shareholders of registered common shares to vote.

6.3⁴³ The notification and the publication of the acquisition of interest in the Company as well as the public purchase offer submitted to the shares of the Company shall be governed by the provisions of the Capital Market Act in force.

6.4^{44 45} The Shareholders representing at least one per cent (1%) of the votes may request the court of registration within one year forfeit deadline from the payment, by simultaneously advancing the costs, to appoint an auditor to examine the lawfulness of the payment.

[NOTE: Pursuant to Section 3:261 (4) of the Civil Code.]

6.5^{46 47} The Board of Directors may make the provision of information and access to the documents conditional upon the making of a written confidentiality declaration. The Board of Directors may deny the provision of information and access to documents if that would violate the Company's business secrets, if the party requesting information abuses such right or if he does not make such confidentiality declaration upon request.

[NOTE: Pursuant to Section 3:258 (3) of the Civil Code, a provision of the Statutes which excludes or restricts the shareholders' right to information is null and void.]

(VII) Payment for the Shares

7.1 The entire cash and in-kind contributions of the registered capital are at the disposal of the transformed Company.

⁴¹ Point (c) of Section 6.1 was inserted pursuant to the resolution of the AGM held on April 24, 2002.

⁴² Point (d) of Section 6.1 was inserted pursuant to the resolution of the AGM held on April 24, 2002.

⁴³ Section 6.3 was inserted pursuant to the resolution of the AGM held on April 24, 2002.

⁴⁴ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

⁴⁵ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

⁴⁶ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

⁴⁷ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

- 7.2 In case of an increase of the registered capital of the Company, the deadline for payment for the newly issued shares shall be established in the resolution of the Shareholders Meeting or by the Board of Directors.
- 7.3 In case the Shareholder fails to meet the applicable due payment obligations within 10 days following the demand for payment, the Board of Directors has the right to sell the temporary share at an auction. It shall be indicated in the demand that the failure of the payment shall cause the termination of the shareholder status. The Board of Directors shall notify a Shareholder in writing about the termination of his shareholder status.⁴⁸

(III) Recording of the shares of the Company

- 8.1⁴⁹⁵⁰ The Board of Directors of the Company shall keep a Share Register, in which it shall record the name and home (or corporate seat) address of the shareholders and the proxies, and the ownership percentages of the individual shareholders with respect to all the categories of shares, furthermore, the number of shares (temporary shares) of shareholders as per each series of shares, as well as any other data required by law or the present Statutes. For the keeping of the Share Register, the regulations of the Civil Code shall apply.⁵¹

The Share Register may be kept on a computer, but a printed copy must also be available.⁵²

- 8.2 The Company shall acknowledge as owners of the registered shares only those persons whose shares are registered in the Share Register.

- 8.3^{53 54} When providing access to the Share Register, the Company shall inform the party receiving access if an identification procedure was initiated by the Company to update the Share Register. If the Share Register contains the data from the latest identification procedure, the Board of Directors shall inform the party receiving access about the relevance date of the last identification.

[NOTE: Pursuant to Government Decree 67/2014 (III.13.).]

⁴⁸ Text amended at the AGM held on April 28, 1999.

⁴⁹ The text proposed to be deleted in Section 8.1 of the Statutes shall become ineffective on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

⁵⁰ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

⁵¹ Text amended at the AGM held on April 28, 1999.

⁵² This Section has been amended pursuant to the resolution of the AGM held on May 28, 1997.

⁵³ The text proposed to be deleted in Section 8.3 of the Statutes shall become ineffective on the day of the transformation of the Ordinary Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed Ordinary Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

⁵⁴ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

8.4⁵⁵ The transfer of registered shares shall be registered in the Share Register of the Company upon (i) the request addressed to the Board of Directors by the new shareholder via post, personally or electronically (with at least advanced electronic signature and qualified timestamp), provided that the new owner of the common share presents to the registrar of the Share Register the ownership certificate in respect of the shares acquired by him as issued by the security intermediary or (ii) based on the reporting of the entity keeping the securities account.⁵⁶

8.5⁵⁷

8.6⁵⁸

8.7^{59 60 61 62} The Company shall send its notices to the shareholders registered in the Share Register and to the addresses indicated in the Share Register, and shall not assume any liability if the actual ownership structure is different from the structure entered in the Share Register.

Certification of ownership is not required for the exercise of shareholders' rights; the entitlement is verified by way of the identification procedure prescribed in the act on securities and in rules of procedures of the central depository (KELER Zrt.) (Section 3:254(6) of the Civil Code).^{63 64} The name of the shareholder or shareholder proxy wishing to participate at the General Meeting shall be registered in the Share Register by the second business days before the first days of the General Meeting. (Section 3:273 (2) of the Civil Code). Shareholders' rights at the General Meeting may be exercised by the person whose name is contained in the Share Register at 6 PM (Budapest time) on the second business day before the first day of the Shareholders' Meeting. If a the Company initiates an identification procedure for updating the Share Register, the date of the identification shall be considered as the date of the Shareholder's registration into the Share register. On the second business day preceding the first day of the General Meeting, The keeper of the Share Register shall ensure by 6:00 PM that the shareholder can exercise its shareholder right to be registered in the Share Register. .

[NOTE: Pursuant to Government Decree 67/2014 (III.13.).]

8.8 A shareholder may not exercise the shareholder's rights if not permitted by the applicable law to be the holder of such shares.⁶⁵

⁵⁵ The modifications relating to Section 8.4 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004. The provisions proposed to be deleted shall become ineffective as of the same date.

⁵⁶ Amended in accordance with AGM held on June 28, 2007.

⁵⁷ The text proposed to be deleted in Section 8.5 of the Statutes shall become ineffective on the day of the transformation of the Ordinary Shares into dematerialized shares, i.e., on the first working day following the last day of the deadline specified for the submission of the printed Ordinary Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

⁵⁸ The text proposed to be deleted in Section 8.6 of the Statutes shall become ineffective on the day of the transformation of the Ordinary Shares into dematerialized shares, i.e., on the first working day following the last day of the deadline specified for the submission of the printed Ordinary Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

⁵⁹ The modifications relating to Section 8.7 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

⁶⁰ Last sentence of Section 8.7 deleted in accordance with the resolution of the AGM held on June 29, 2010.

⁶¹ Text amended by resolution of the AGM held on June 28, 2012.

⁶² Text modified in accordance with the resolution of the AGM held on June 26, 2014.

⁶³ Text modified in accordance with the resolution of the AGM held on June 29, 2011.

⁶⁴ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

⁶⁵ Sections 8.3 through 8.8 were inserted into the Statutes pursuant to the resolution of the AGM held on May 30, 1995.

(IX) Confirmation of the Shares

- 9.1 Each Shareholder is entitled to a **share-certificate** before the registration of the Company by the Court of Registration. After the registration of the Company into the Companies' Register but before the payment of the full nominal value of a share, each Shareholder is entitled to a **temporary share**. A share-certificate (share paid up before registration) and a temporary share (share paid up after registration) shall be registered in the name of the Shareholder, and the amount paid up by the Shareholder up to the date of issuance shall be indicated on the share.
- 9.2 After the registration of the Company into the Companies' Register and after the full payment of the entire initial capital, a Share has to be delivered to the Shareholder.

(X)⁶⁶ Preemptive subscription right and transfer of the Shares

- 10.1^{67 68} In case of increasing the registered capital of the Company by way of cash infusion, each Shareholder shall have the preemptive subscription right on the first fifteen days of the subscription period in proportion of their shares. If the share capital is increased by a private offering of shares, priority for subscription shall be construed as priority for receiving shares. The General Meeting, or acting under the General Meeting's authorization, the Board of Directors shall be entitled to exclude such priority right.
- 10.2⁶⁹ Any transfer of common shares and temporary shares shall be effective only if the new shareholder or the proxy as specified in the Capital Market Act has been entered into the Share Register.⁷⁰
- 10.3⁷¹ Ownership over dematerialized common shares can only be acquired and transferred through entries in securities accounts by registering the new owner and deleting the previous owner. Until otherwise proven, the owner of the Ordinary Share shall be the person (or legal entity) mentioned as the holder of the respective Ordinary Share in the securities' account.

(XI) Shareholders Meeting of the Company⁷²

- 11.1 The supreme governing body of the Company is the Shareholders Meeting consisting of the representatives of the Shareholders.

⁶⁶ Amended pursuant to the resolution of the AGM held on April 22, 2004

⁶⁷ Amended pursuant to the resolution of the AGM held on April 22, 2004

⁶⁸ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

⁶⁹ The modifications relating to Section 10.2 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004.

⁷⁰ This Section has been amended pursuant to the resolution of the AGM held on May 28, 1997.

⁷¹ The modifications relating to Section 10.3 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004. The provisions proposed to be deleted shall become ineffective as of the same date.

⁷² The numbering of the chapter has been amended in accordance with the resolution passed by the GM held on April 28, 1999.

11.2 The Shareholders Meeting shall have exclusive authority regarding⁷³:

- (a)⁷⁴ establishment and amendment of the Statutes (except for amendments effectuated by the Board of Directors), including the increase and decrease of the registered capital (except for increase effectuated by the Board of Directors and for decrease if the Civil Code otherwise provides);
- (b) decision on the change of the form of the company limited by shares;
- (c) decision on transformation (mergers and de-mergers) or termination without legal successor of the Company;
- (d)⁷⁵ with the exception contained in the Civil Code, the election, removal and remuneration of the members of the Board of Directors, members of the Supervisory Board and the Auditor;
- (e)⁷⁶ approval of the report prepared pursuant to the Accounting Act, including the decision on the appropriation of after-tax profits and whilst the Company is listed on the Budapest Stock Exchange, the approval of the Corporate Governance Report in a separate resolution;
- (f)⁷⁷ decision to pay interim dividends unless the Statutes provides otherwise;
- (g)⁷⁸⁷⁹
- (h) decision to transform printed share certificates into dematerialized shares;
- (i) variation of the rights attached to the individual series of shares, and the transformation of categories or classes of shares;
- (j) decision on the issue of convertible bonds or bonds with subscription rights;
- (k) decision on the authorization for the acquisition of own shares, unless otherwise provided by the Civil Code, furthermore, in the case of a public company, on the acceptance of a public offer for purchase received in respect of own shares;
- (l)^{80 81} decision to abolish preemptive subscription rights, or to authorize the Board of Directors to restrict or abolish preemptive subscription rights;
- (m)^{82 83} decision concerning the guidelines and framework for the long-term salary and incentive scheme for executive officers, supervisory board members and executive employees;

⁷³ The amended text of this Section has been established pursuant to the resolution passed by the GM held on April 28, 1999.

⁷⁴ Amended pursuant to the resolution of the AGM held on April 22, 2004

⁷⁵ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

⁷⁶ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

⁷⁷ Text amended by the AGM held on April 22, 2004.

⁷⁸ Amended pursuant to the resolution of the AGM held on April 22, 2004

⁷⁹ Deleted, pursuant to the resolution of the AGM held on June 28, 2007

⁸⁰ Amended pursuant to the resolution of the AGM held on April 22, 2004

⁸¹ Amended pursuant to the resolution of the AGM held on June 30, 2010.

⁸² Text modified in accordance with the resolution of the AGM held on June 28, 2007. The mandatory / non-mandatory nature of such decision is to be defined in the Statutes.

- (n)⁸⁴ [Deleted]
- (o)⁸⁵ the election of members of the audit board;
- (p)⁸⁶ decision on all issues which are assigned to the competence of the Shareholders Meeting by law or the Statutes.
- 11.3⁸⁷ Resolutions of the Shareholders Meeting which adversely affect the rights attached to a certain series of shares may be passed only if a majority of at least three-quarters of the shareholders of the series of shares in question consent thereto in advance.
- 11.4⁸⁸ A resolution of the Shareholders Meeting whose objective is a change of the form of operation of the Company may be passed only if a majority of at least three-quarters of the shareholders representing at most one percent each of the votes consent thereto in advance.
- 11.5⁸⁹⁹⁰ At least thirty (30) days prior to the Shareholders Meeting which is to decide on a capital increase, a modification adversely affecting the rights attached to a certain series of shares and on the change of the form of operation of the Company, the shareholders mentioned in Sections 5.14, 11.3 and 11.4 above shall be notified via registered mail and the announcement on the Shareholders Meeting, and they shall be requested to submit their declaration of consent to the Board of Directors in writing at the latest three (3) days before the Shareholders Meeting. Should the Board of Directors not receive the declaration of the shareholder three days prior to the Shareholders Meeting, such failure shall be deemed as the shareholder's consent to the change of the form of operation of the Company, or respectively to the capital increase. The notification and the announcement shall contain a warning regarding such default consent.
- 11.6^{91, 92} The Shareholders Meeting may only pass a resolution resulting in the withdrawal of the shares from the Stock Exchange provided any investor(s) has(have) previously undertaken the obligation to make an offer as per the corresponding provisions of the Regulations for Listing and Continued Trading and Disclosure of the Budapest Stock Exchange in order to purchase the shares from the Shareholders who decide to sell their shares during the validity period of the purchase offer.
- 11.7⁹³ The Company shall hold the annual ordinary Shareholders Meeting by July 31 of each year.
- 11.8 The Board of Directors shall be entitled and obliged to call the Shareholders Meeting. The Board of Directors shall be entitled at any time to call an extraordinary Shareholders Meeting.
- 11.9^{94 95} The Board of Directors has the duty to convoke an extraordinary Shareholders Meeting:

83 Text modified in accordance with the resolution of the AGM held on June 26, 2014.

84 Text modified in accordance with the resolution of the AGM held on June 28, 2007.

85 Text modified in accordance with the resolution of the AGM held on June 28, 2007.

86 Renumbered pursuant the resolution of the AGM held on June 28, 2007..

87 New text inserted pursuant to the resolution passed by the AGM held on April 28, 1999.

88 New text inserted pursuant to the resolution passed by the AGM held on April 28, 1999.

89 New text inserted pursuant to the resolution passed by the AGM held on April 28, 1999.

90 Text modified in accordance with the resolution of the AGM held on June 28, 2007.

91 Amended and inserted pursuant to the resolution of the AGM held on April 26, 2000.

92 Amended subsequently pursuant to the resolution of the AGM held on April 29, 2003.

93 Text modified and inserted in accordance with the resolution of the AGM held on June 29, 2006

94 Amended pursuant to the resolution passed by the AGM held on April 28, 1999.

- (a) if a previous Shareholders Meeting has so decided;
- (b) if so requested by Shareholders representing at least 1 (one) % of the Shares with the providing of a reason and objective;⁹⁶
- (c) if so proposed by the Supervisory Board;
- (d) if so requested by the Auditor.

11.10^{9798 99} The Board of Directors shall, with simultaneous notice to the Supervisory Board, call an extraordinary Shareholders Meeting within a period of eight days, if any of its members becomes aware that:

- (a) due to losses, the equity of the Company has decreased to two-thirds of the registered capital, or
- (b) the equity of the Company has decreased below HUF 20,000,000 (twenty million HUF), or
- (c) the Company is threatened by insolvency or has ceased payment or
- (d) the Company's assets do not cover its debts.

11.11^{100 101} In the cases listed in point 11.9 (a)-(d), the Board of Directors shall be obliged to convoke an extraordinary Shareholders Meeting within eight days upon receipt of the relevant request to the date as early as possible.

11.12^{102 103} If the Board of Directors does not take the measures within eight days from receiving the request to convoke the Shareholders' Meeting to the earliest date possible, at the applicant's request, the court of registration will convoke the General Meeting, or it will authorize the applicants to convoke the meeting.

[NOTE: Pursuant to Section 3:103 of the Civil Code, which is mandatory one-sidedly.]

11.13 The Supervisory Board shall be entitled to convoke an extraordinary Shareholders Meeting in the cases prescribed by law or by the present Statutes.

11.14¹⁰⁴ The Board of Directors shall publish the invitation to the Shareholders' Meeting and shall send it to the members of the Board of Directors, of the Supervisory Board, as well as to the Auditor, at least 30 days before the Shareholders' Meeting.¹⁰⁵ Such publication is to be made at the www.kozzetetelek.hu homepage as well as at the homepage of the Company and the homepage of the Budapest Stock Exchange.^{106 107}

95 Text modified in accordance with the resolution of the AGM held on June 26, 2014.

96 Text modified in accordance with the resolution of the AGM held on June 28, 2007.

97 New text inserted pursuant to the resolution passed by the AGM held on April 28, 1999.

98 Text modified in accordance with the resolution of the AGM held on June 28, 2007.

99 Text modified in accordance with the resolution of the AGM held on June 26, 2014.

100 Amended pursuant to the resolution passed by the AGM held on April 28, 1999.

101 Text modified in accordance with the resolution of the AGM held on June 26, 2014.

102 Amended pursuant to the resolution passed by the AGM held on April 28, 1999.

103 Text modified in accordance with the resolution of the AGM held on June 26, 2014.

104 Amended pursuant to the resolution passed by the AGM held on April 28, 1999.

105 This Section has been amended pursuant to the resolution of the AGM held on May 28, 1997.

106 Text modified in accordance with the resolution of the AGM held on June 28, 2007.

107 Amended in accordance with the resolution passed by the AGM held on June 29, 2010.

11.15^{108 109 110 111} The name and seat of the Company, place, date, agenda of the Shareholders' Meeting, the procedure according to which the Shareholders' Meeting is held requirements according to the Statutes for the exercising of the voting rights, as well as the date and place of the reconvened Shareholders' Meeting shall to be indicated in the announcement relating to the Shareholders' Meeting. The announcement of the Shareholders' Meeting shall also contain the deadline, within which a shareholder has to register in the share register in order to participate at the Shareholders' Meeting; information on the consequences of registration into the share register under Section 3:273 (3) of the Civil Code(Sections 8.7 and 11.16 of the Statutes); the conditions set out in the Statutes (Section 6.5) to exercise the shareholder's right of information, the conditions set out in the Statutes (Section 11.19) to exercise the right to put items on the agenda of the Shareholders' Meeting, information on the time, place and way of accessing the original and full text of the proposals and draft resolutions on the agenda, including the address of the company's homepage, and the conditions on the issuing of the voting card (Section 11.16).

The Board of Directors shall disclose on the Company's website simultaneously with convening the Shareholders' Meeting the names of the members of the Board Of Directors and the Supervisory Board, and all monetary and non-monetary benefits granted to these members in this role, detailed by members and the legal title for the benefit. The Board of Directors shall ensure that this information is available on its website continuously.

The Board of Directors shall at least twenty-one (21) days prior to the Shareholders Meeting and at least on the website of the Company inform the shareholders of the substantial content of the draft annual report prepared pursuant to the Accounting Act, of the report of the Board of Directors and of the report of the Supervisory Board; the total number of shares and voting rights at the date of convening the Shareholders' Meeting, (including separate totals for each class of shares and full totals), the proposals relating to the items on the agenda, the Supervisory Boards' reports relating thereto, the draft resolutions and the forms to be used for voting via proxyholders. If the shareholders exercised their right to put items on the agenda, or their right to propose a draft resolution (as set out in Section 3:259of the Civil Code and Section 11.19 of the Statutes), the extended agenda and the draft resolutions proposed by the shareholders must also be published within the above deadline, at least on the Company's website.

The above deadline is fifteen (15) days instead of twenty-one days if an extraordinary Shareholders' Meeting is called in order to obtain the shareholders' opinion relating to a public takeover offer for the shares of the Company or at the request of the person having obtained a qualifying holding upon the successful conclusion of the public takeover offer.

11.16¹¹²¹¹³¹¹⁴¹¹⁵¹¹⁶¹¹⁷ Certification of ownership is not required for the exercise of shareholders' rights; the entitlement is verified by way of the identification procedure prescribed in the act on securities and

¹⁰⁸ Amended pursuant to the resolution passed by the AGM held on April 28, 1999.

¹⁰⁹ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹¹⁰ Text modified in accordance with the resolution of the AGM held on June 29, 2010.

¹¹¹ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

¹¹² Amended pursuant to the resolution of the AGM held on April 29, 2003.

¹¹³ The modifications relating to Section 11.16 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004. The provisions proposed to be deleted shall become ineffective as of the same date.

¹¹⁴ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹¹⁵ Text modified in accordance with the resolution of the AGM held on June 29, 2010.

¹¹⁶ Text amended by resolution of the AGM held on June 28, 2012.

¹¹⁷ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

in rules of procedures of the central depository (KELER Zrt.) (Section 3:254 (6) of the Civil Code).¹¹⁸ The name of the shareholder or shareholder proxy wishing to participate at the General Meeting shall be registered in the Share Register by the second business days before the first days of the General Meeting. Shareholders' rights at the General Meeting may be exercised by the person whose name is contained in the Share Register at the closing of the Share Register – at 6 PM (Budapest time) on the second business day before the first day of the Shareholders' Meeting – . (Section 3:273 (2) of the Civil Code). The condition for participating and voting at the Shareholders' Meeting is that a shareholder justifies its identity and in the case of representation by an authorized representative, the power of attorney to the Company at the date and place indicated in the announcement or invitation. Pursuant to the justification of the identity and in the case of a representative, on the basis of the power of attorney (if it fulfills the conditions set forth in the last paragraph of this point), the Board of Directors shall issue a voting card or another certificate containing an entitlement to vote (the "voting card").

At the Shareholders' Meeting, shareholder rights may be exercised via the voting card. The voting card shall contain the name of the shareholder or the shareholder's representative, the number of votes entitled to them.

Furthermore, in the case of registered shares, the Company shall only issue a voting card to a shareholder or shareholder's representative who is registered by the Board of Directors in the Share Register as the owner of the shares or as the shareholder's representative.¹¹⁹

[NOTE: The Civil Code does not contain anymore the rule according to which the proxyholder's vote in violation of the instruction is void.]

11.17 The representative of a shareholder who is not personally attending the Shareholders Meeting shall give his proxy to the Chairman of the Shareholders Meeting - in a duly authorized public or private document of full evidence - before the commencement of the Shareholders Meeting.

11.18 The vote according to the conditions described in the proxy concerning the exercise of the voting right is valid regardless of the earlier death, bankruptcy, incapacity of the principal respectively or of the assignment, provided to the Company unless notification in writing has been received on the above event before the beginning of the Shareholders Meeting.

11.19¹²⁰¹²¹ ¹²²The agenda of the Shareholders' Meeting is established by the Board of Directors, but the latter is obliged to place on the agenda any proposal for supplementing the agenda (complying with the rules on the details of the agenda) and any draft resolution related to an agenda item that is on agenda or to be added to the agenda, which are requested by the Shareholders representing at least one per cent (1%) of the votes, by the Supervisory Board and by the Auditor within 8 days after the publication of the invitation pursuant to Section 11.14. The Board of Directors shall publish a notice on the supplemented agenda, the draft resolutions proposed by the shareholders following the communication of such proposal to the Board. The issue indicated in the notice shall be considered to be on agenda.

[NOTE: Pursuant to Section 3:259 (2) of the Civil Code.]

¹¹⁸ Text modified in accordance with the resolution of the AGM held on June 29, 2011.
¹¹⁹ Amended and inserted pursuant to the resolution of the AGM held on April 26, 2000.
¹²⁰ Amended pursuant to the resolution passed by the AGM held on April 28, 1999.
¹²¹ Text modified in accordance with the resolution of the AGM held on June 28, 2007.
¹²² Text modified in accordance with the resolution of the AGM held on June 26, 2014.
¹²³ Text modified in accordance with the resolution of the AGM held on June 29, 2010.

- 11.20 The discussion of any issues previously not indicated on the agenda is possible only in the presence and with the consent of all Shareholders.
- 11.21 The Shareholders Meeting has to be called at the seat of the Company (Budapest) or at any other place determined by the Board of Directors.
- 11.22 The deliberations of a Shareholders Meeting duly convoked may be commenced only in case there is a quorum.
- 11.23 The Shareholders Meeting has a quorum if the Shareholders (or their representatives) who are present represent more than half of all the voting shares.
- 11.24¹²⁴ In regard to the Shareholders who attended the Shareholders Meeting, an attendance list shall be compiled containing the names, addresses of the Shareholders respectively their representatives, the number of Shares represented by them, the number of attached votes any changes during the general meeting in the persons of those present.
- 11.25¹²⁵ In case the properly called Shareholders Meeting has no quorum within thirty (30) minutes following the scheduled time as indicated in the invitation, the reconvened Shareholders Meeting shall be held at least ten but at latest twenty-one days later, at the same place and with an identical agenda. This reconvened Shareholders Meeting shall have a quorum regarding the topics indicated on the agenda, regardless of the number of shares present.¹²⁶
- 11.26 In case of the lack of quorum, the date and time of the second Shareholders Meeting shall be published in the same public announcement as per the first Shareholders Meeting.
- 11.27 The Chairman of the Board of Directors, and in case he would be unable to execute his function, the Vice-Chairman or the person appointed by the Board of Directors to conduct the meeting shall be the chairman of the Shareholders Meeting,
- 11.28 The Chairman of the Shareholders Meeting shall examine the entitlement to vote of those present, state whether there is a quorum of the Shareholders Meeting, direct deliberations, put motions to a vote and state the result of such votes, moreover, the Chairman shall provide for the tasks necessary for the holding of the Shareholders Meeting.
- 11.29 Each registered Series "A" ordinary common share of the Company entitles its holder to one vote.
- 11.30¹²⁷¹²⁸ Resolutions shall be passed by the Shareholders Meeting by a majority of three quarters of the votes cast in respect of the matters set forth in sub-section of Section 11.2 (a)-(d), (g), (i), (j), (l) and (n) of these Statutes and in the Civil Code, and in other cases, including resolutions related to the withdrawal of the members of the Board of Directors, resolutions shall be passed by a simple majority of the votes cast.
- 11.31^{129130 131 132} Minutes shall be kept of the Shareholders Meeting which contain, in addition to the name and seat of the Company, the place and date of the Shareholders Meeting, the procedure according

¹²⁴ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹²⁵ Text modified in accordance with the resolution of the AGM held on June 29, 2010.

¹²⁶ This Section has been amended pursuant to the resolution of the AGM held on May 28, 1997.

¹²⁷ Amended pursuant to the resolution passed by the AGM held on April 22, 2004.

¹²⁸ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

to which the Shareholders' Meeting is held, the name of the Chairman of the Shareholders Meeting, the keeper of Minutes, the Shareholder who was nominated by the Shareholders Meeting to confirm the same and the counter of the votes, the listing and title of those present, the number of Shares represented by the Shareholders present and the number of their votes, the substance of the deliberations, the motions, the draft resolutions put to a vote, the results of the votes, the decisions word for word, respectively any dissent against a decision by a Shareholder, by a member of the Board of Directors or the Supervisory Board, in case of each resolution, the number of shares validly voted, the amount of share capital proportion represented by these votes, the number of the votes casted for and against, and the number of abstentions. .

11.32 The Minutes shall be undersigned by the Chairman of the Shareholders Meeting, by the keeper of Minutes and by one Shareholder who was nominated by the Shareholders Meeting to confirm the same.

11.33¹³³ The Board of Directors is obliged to place among its own documents and keep, as well as submit the certified original of the minutes, the attendance list and the copy of the publication containing the notice regarding the call for the Shareholders Meeting within 30 days upon the completion of the Shareholders Meeting to the Court of Registration.

(XII) The Board of Directors of the Company

12.1 The business activities of the Company shall be managed by the Board of Directors.

12.2 The Company shall elect a Board of Directors consisting of at least six (6) and at the most eight (8) members.¹³⁴¹³⁵

12.3¹³⁶ The members of the Board of Directors shall be elected by the Shareholders Meeting in accordance with the proposal of the Shareholders for a period of maximum four years. If the Chairman of the Board of Directors would be unable to execute his function, the responsibility to act as the chairman of the Board of Directors shall be automatically transferred to the Vice-Chairman of the Board of Directors.

12.4¹³⁷ The following matters will belong to the exclusive competence of the Board of Directors:

- (a) to determine the business strategies of the Company;
- (b) to determine the internal regulations for the organization and operation of the Company;
- (c)¹³⁸ to prepare the proposals concerning the Shareholders Meetings and the reports, including, whilst the Company is listed on the Budapest Stock Exchange, the presentation to the annual Shareholder's Meeting the Corporate Governance Report together with the annual report prepared pursuant to the Accounting Act;

¹²⁹ Deleted by the resolution passed by the AGM held on April 28, 1999.
¹³⁰ Text modified in accordance with the resolution of the AGM held on June 28, 2007.
¹³¹ Text modified in accordance with the resolution of the AGM held on June 29, 2010.
¹³² Text modified in accordance with the resolution of the AGM held on June 26, 2014.
¹³³ Text modified in accordance with the resolution of the AGM held on June 26, 2014.
¹³⁴ Amended in accordance with the resolution of the Shareholders meeting held on March 30, 1993.
¹³⁵ Text modified in accordance with the resolution of the AGM held on June 28, 2007.
¹³⁶ Amended in accordance with the resolution passed by the AGM held on April 29, 2003.
¹³⁷ Amended pursuant to the resolution of the AGM held on April 22, 2004
¹³⁸ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

- (d) to grant the authority to sign to the employees of the Company;
- (e)¹³⁹ to have the report prepared pursuant to the Accounting Act¹⁴⁰, published according to the rules regarding announcements at least 30 days before the annual Shareholders Meeting and deposited;
- (f) to exercise the employer's rights over the General Manager;
- (g) to fulfill the information providing obligations of the Company as prescribed by law;
- (h) to decide on the denomination of shares;
- (i) to provide an opinion regarding the public purchase offer which was made for the shares of the Company in accordance with the requirements set forth in Annex no. 9 of the Capital Market Act, and to appoint an independent financial expert in order to evaluate the public purchase offer as well as the publication of the opinion and the evaluation of the expert in accordance with the provisions set forth in the Capital Market Act¹⁴¹.
- (j) to pass a resolution, with the prior approval of the Supervisory Board in connection with the acquisition of own shares of the Company provided that (i) the Company acquires the shares within the framework a court proceeding for the settlement of a claim of the Company or during a corporate restructuring (ii) the acquisition is required in order to avoid serious damage which threatens the Company, except for a public takeover bid aimed at the Company's shares; (iii) the Shareholder's Meeting has authorized the Board of Directors..^{142 143 144}
- (k) decision for taking measures to intervene in a public takeover bid; and
- (j) any other matter as set forth by the rules of the operation of the Board of Directors.¹⁴⁵

The Board of Directors is authorized to pay the interim dividends if the conditions set forth in the Civil Code are fulfilled; further, the Board of Directors is entitled to approve the interim balance sheet subject to the prior consent of the Supervisory Board which interim balance sheet is necessary for the payment of the interim dividend.

12.5 Members of the Board of Directors are listed in Appendix (A) to these Statutes. The Chairman and the Vice-Chairman of the Board of Directors are elected by and among the members of the Board of Directors for a period of four (4) years.

12.6 In case the Chairman of the Board of Directors ceases to be a director, this also automatically terminates his position as the Chairman of the Board of Directors.

12.7 The Chairman of the Board of Directors is obliged:

¹³⁹ Text modified in accordance with the resolution of the AGM held on June 26, 2014.
¹⁴⁰ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.
¹⁴¹ The text was inserted pursuant to the resolution of the AGM held April 24, 2002.
¹⁴² The text was inserted pursuant to the resolution of the AGM held April 24, 2002.
¹⁴³ Text modified in accordance with the resolution of the AGM held on June 28, 2007.
¹⁴⁴ Text modified in accordance with the resolution of the AGM held on June 26, 2014.
¹⁴⁵ Text modified in accordance with the resolution of the AGM held on June 27, 2013.

- (a) to call the meetings of the Board of Directors,
 - (b) to organize and direct the continuous activities of the work organization of the Company.
- 12.8 The Chairman of the Board of Directors is obliged to report on the decisions made on his own behalf within his competence, during the period between any two meetings of the Board of Directors, at the following meeting of the Board of Directors.
- 12.9 The Board of Directors shall hold ordinary meetings of the Board of Directors at least once every quarter and report to the Supervisory Board about the management, the Company's financial status and its business policy at least every three months.
- [NOTE: Pursuant to Section 3:284 of the Civil Code.]**
- 12.10 The meeting of the Board of Directors is convoked by the Chairman of the Board of Directors and in case of unavailability, by the Vice-Chairman of the Board of Directors.
- 12.11 The Chairman of the Board of Directors is also obliged to convoke the meeting of the Board of Directors if so required by two directors jointly with a statement regarding the reason and objective of said request.
- 12.12 The Chairman of the Board of Directors has to notify the members of the Board of Directors at least 15 days prior to the meeting of the Board of Directors regarding the place, date and agenda of the meeting of the Board of Directors. Under extraordinary circumstances, the board meeting may also be convoked with a shorter notice.¹⁴⁶
- 12.13 With the exception of a closed meeting, the members of the Supervisory Board and also the persons invited by the Board of Directors may take part in the meeting of the Board of Directors as consultants. Upon the request of any director, the meeting shall be closed.
- 12.14 The Board of Directors has a quorum if the six-sevenths (6/7) of the board members are present.¹⁴⁷
- 12.15 In case the Board of Directors has no quorum with regards to the number of the board members, then the board members present may resolve to reconvene that meeting on the same day in the following week and not later than within fourteen (14) days at the same place of the originally convoked meeting. Each board member shall be notified at least five (5) days in advance in writing in respect to the time and place of the reconvened meeting. Such second meeting shall have quorum when four (4) board members are present.¹⁴⁸
- 12.16 Should the number of the members of the Board of Directors fall below three, a Shareholders Meeting shall be called for the election of new directors.
- 12.17 The propositions and resolutions of the Board of Directors shall be brought with a simple majority of the votes of the board members present, except if otherwise provided for by the rules of the operation of the Board of Directors.¹⁴⁹

¹⁴⁶ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

¹⁴⁷ Text modified in accordance with the resolution of the AGM held on June 27, 2013.

¹⁴⁸ Text modified in accordance with the resolution of the AGM held on June 27, 2013.

¹⁴⁹ Text modified in accordance with the resolution of the AGM held on June 27, 2013.

12.18 Minutes have to be kept regarding the meeting of the Board of Directors, which shall contain a list of those present, the deliberations regarding the issues of the agenda, the results of the votes and the decisions.

12.19 The Minutes shall be signed by the chairman of the meeting of the Board of Directors and they will be confirmed by one of the directors taking part in the meeting. The chairman of the meeting shall deliver a certified copy of the Minutes to each board member within 15 days from the date of the meeting.

12.20 (Deleted in accordance with the resolution of the Shareholders Meeting held on November 30, 1992.)

12.21¹⁵⁰

Whilst the Company is listed on the Budapest Stock Exchange, the Board of Directors shall present to the annual general meeting the Corporate Governance Report together with the annual report prepared pursuant to the Accounting Act.

The Corporate Governance Report shall contain the conclusions of the Board of Directors on the Company's policy adopted with a view to governance and management in the previous financial year, and shall demonstrate any derogation from the Corporate Governance Recommendations of the Budapest Stock Exchange. The report shall be posted on the official website of the Company. The Corporate Governance Report shall be approved by a separate resolution of the Shareholder's Meeting. The Corporate Governance Report may not be presented to the Shareholder's Meeting without the consent of the Supervisory Board.

12.22¹⁵¹ Without the consent of the Company, the members of the Board of Directors may not acquire any share - other than shares in public limited companies - in any legal person whose main business activity is identical to that of the Company, and may not accept an executive office in a business association whose main business activity is identical to that of the Company, save in business associations in which the Company - directly or indirectly - has a voting rights exceeding 25% and in business associations having - directly or indirectly - a voting rights exceeding 25% in the Company. The members of the Board of Directors and their close relatives [Point 1) of Section 8:1 (1) of the Civil Code] or partner may not conclude any transactions falling within the scope of the activities of the Company in his own name and on his own account, except for the customary transactions of everyday life.¹⁵²

[NOTE: The Civil Code does not anymore contain the definition of "business organization". Although Act XLIX of 1991 on Bankruptcy Proceeding and Liquidation Proceeding contains the same notion with a slightly different meaning, we recommend the use of "legal person".]

12.23¹⁵³

The Shareholder's Meeting of the Company by its resolution no. 19 of June 28, 2012 authorized the Board of Directors of the Company to increase, within one or more phases, the registered capital of the Company, within five (5) years as of June 28, 2012, exclusively by issuing up to 200,000 redeemable liquidation preference shares (including the already issued redeemable liquidation preference shares) through private placement. The highest amount by which the Board of Directors can increase the registered capital of the Company is up to (within one or more phases) HUF 200,000,000 that is two hundred million Hungarian forints (including the capital represented by the already issued redeemable liquidation preference shares). The placement value of such redeemable liquidation preference shares will be their nominal value equalling to HUF 1,000 (one thousand

¹⁵⁰ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹⁵¹ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

¹⁵² Text modified in accordance with the resolution of the AGM held on June 27, 2013.

¹⁵³ Text amended by resolution of the AGM held on June 28, 2012.

Hungarian forints). The Board of Directors is entitled to decide about the exclusion or limitation of preferential subscription rights related to such capital increase(s) as may be necessary. The Board of Directors can only exercise such capital increase right in case the prior written approval of the Supervisory Board is available.

12.24¹⁵⁴

The detailed rules of the operation of the Board of Directors shall be determined by the Rules of Operation of the Board of Directors. The rules of operation of the Board of Directors may contain provisions allowing its members to participate by means of electronic communications instead of attending in person.¹⁵⁵

(XIII) The General Manager of the Company

- 13.1 The Board of Directors shall appoint a General Manager from among the directors or the employees, for such period of time and under such terms as it sees fit. The Board of Directors may revoke such appointment at any time.
- 13.2 The General Manager shall enter into an employment contract with the Company.
- 13.3 The General Manager, within his scope of employment, shall be responsible for the administration of the Work Organization of the Company, and shall exercise the employer's rights in respect of the employees of the Company. The General Manager shall be entitled to delegate his power to exercise the employer's rights in respect of employees of a given department to the employee in charge of that department, except for the employer's rights in respect of employees in executive positions. Employees in executive positions are those who are designated as such on the basis of the Company's Rules of Organization and Operation or by the General Manager at the time of concluding the employment contract.
- 13.4 The General Manager shall have the powers to decide in matters relating to the day-to-day operations of the Company. The competence of the General Manager shall be determined by the Rules of Operation of the Company approved by the Board of Directors.

(XIV) The Supervisory Board of the Company

- 14.1 The Company shall establish a Supervisory Board consisting of at least six (6) members and at the most twelve (12) members.¹⁵⁶ ¹⁵⁷The majority of the members of the supervisory board must be independent.¹⁵⁸ The management of the Company entered into an agreement with the workers' council pursuant to which the employees waived their right to participate in the operation of the Supervisory Board.¹⁵⁹
- 14.2 The Supervisory Board shall have the duty to control the management of the Company and to direct the internal management.

¹⁵⁴ Renumbered pursuant to the resolution of the AGM held on June 28, 2007..

¹⁵⁵ Text modified in accordance with the resolution of the AGM held on June 27, 2013.

¹⁵⁶ Amended in accordance with the Shareholders Meeting held on March 30, 1993.

¹⁵⁷ Amended in accordance with the resolution of the AGM held on June 28, 2007.

¹⁵⁸ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹⁵⁹ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

14.3¹⁶⁰ The members of the Supervisory Board shall be elected by the Shareholders Meeting for a period of maximum four years.

14.4^{161, 162, 163}

The Supervisory Board shall be obliged:

- (a) to examine all the important reports, including the yearly profit-and-loss statements, the balance sheet, the interim balance sheet, as well as the proposition of the Board of Directors regarding the report prepared pursuant to the Accounting Act and for the distribution of the after-tax profit, and to report in writing regarding the result of the inspection at the Shareholders Meeting and the Board of Directors; no valid resolution may be brought on the business strategy reports, balance sheet and the distribution of the profit, as well as on matters falling within the exclusive competence of the Shareholders Meeting, or regarding the interim balance sheet, with respect to the payment of dividends and increase of registered capital falling within the competence of the Board of Directors on the basis of the authorization of the Statutes, without a report from the Supervisory Board. The Supervisory Board shall also examine the Corporate Governance Report which may not be presented to the Shareholder's Meeting without the consent of the Supervisory Board;
- (b) to call the Shareholders Meeting and to propose its agenda, if it has become aware of measures, omissions or misuses which violate the law, the Statutes, the resolutions of a Shareholders Meeting or which infringe on the interest of the Company or its shareholders;
- (c) to examine the management, if so requested by the Shareholders representing at least ten per cent (10%) of the capital.

14.5 The Supervisory Board has the right to request information on any matter regarding the Company, and to inspect any books or documents.

14.6 The Supervisory Board shall hold a meeting at least once every six months, but at any time upon the request of the Shareholders Meeting.

14.7 The meeting of the Supervisory Board shall be convoked by its Chairman, who shall also chair the meeting.

14.8¹⁶⁴ The Chairman of the Supervisory Board shall be obliged to also call the meeting of the Supervisory Board, if so requested in writing by a member of the Supervisory Board who provides the reason and objective of the meeting. The chairman shall, within a period of eight days after receipt of such request, call a meeting of the Supervisory Board, at a date within a period of thirty days. If the Chairman fails to comply with such request, the member shall have the right to convene the meeting himself.

¹⁶⁰ Amended in accordance with the resolution passed by the AGM held on April 29, 2003.

¹⁶¹ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

¹⁶² Amended pursuant to the resolution of the AGM held on April 22, 2004

¹⁶³ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹⁶⁴ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

- 14.9 The Chairman of the Supervisory Board shall notify the members of the Supervisory Board at least 8 days prior to the meeting of the Supervisory Board regarding the place, date and agenda of the meeting of the Supervisory Board.
- 14.10 At the meeting of the Supervisory Board the Auditor may also take part with a right of consultation.
- 14.11 The Supervisory Board shall have a quorum if two thirds, but at least three¹⁶⁵, of the members of the Supervisory Board are present. Should a quorum in the first properly called Supervisory Board Meeting not have been constituted, then the members present shall resolve to reconvene that meeting with an identical agenda not earlier than on the same day in the following week and not later than within fourteen (14) days and at the same place of the originally convoked meeting. Each Supervisory Board member shall be notified at least five (5) days in advance in writing with respect to the time and place of the reconvened meeting. Such second meeting shall have a quorum if four members of the Supervisory Board are present.¹⁶⁶
- 14.12 The decisions of the Supervisory Board are brought with a simple majority of the members of the Supervisory Board present.
- 14.13 Minutes have to be kept regarding the meeting of the Supervisory Board, which shall contain the list of those present, the results of the votes and the decisions.
- 14.14 The Minutes shall be signed by the Chairman of the Supervisory Board and shall be confirmed by two members of the Supervisory Board which is present.¹⁶⁷
- 14.15 The detailed rules of the operation of the Supervisory Board shall be determined by the Rules of Operation of the Supervisory Board, which are approved by the Shareholders Meeting¹⁶⁸. The rules of operation of the Supervisory Board may contain provisions allowing its members to participate by means of electronic communications instead of attending in person¹⁶⁹.
- 14.16 The members of the Supervisory Board are listed in Appendix (A) of this Statutes.

(XIV/A) The Audit Board of the Company¹⁷⁰

- 14/A.1¹⁷¹ The Company shall establish an Audit Board consisting of three members, elected by the Shareholder's Meeting from the independent members of the Supervisory Board. At least one member of the Audit Board shall have a professional certificate in accounting or auditing.
- 14/A.2¹⁷² The competence of the Audit Board shall cover the following¹⁷³:
- (a) to opionate on the annual report prepared according to the Accounting Act;

¹⁶⁵ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

¹⁶⁶ Text modified in accordance with the resolution of the AGM held on June 27, 2013.

¹⁶⁷ Text modified in accordance with the resolution of the AGM held on June 27, 2013.

¹⁶⁸ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

¹⁶⁹ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹⁷⁰ Text modified in accordance with the resolution of the AGM held on June 28, 2007.

¹⁷¹ Text amended by resolution of the AGM held on June 28, 2012.

¹⁷² Text amended by resolution of the AGM held on June 28, 2012.

¹⁷³ The Statutes may confer additional duties upon the Audit Board.

- (b) monitoring the statutory audit of the annual report prepared pursuant to the Accounting Act;
- (c) making a recommendation concerning the person and remuneration of the Auditor;
- (d) preparation of the contract to be concluded with the Auditor¹⁷⁴;
- (e) monitoring compliance with the qualification requirements, with the regulations on conflict of interest, and with requirements on independence on the part of the Auditor, discharging the duties relating to cooperation with the Auditor, monitoring other services provided by the auditor to the company besides the auditing of the annual report prepared pursuant to the Accounting Act, and - where necessary - tabling recommendations to the Board of Directors or the Supervisory Board for taking measures;
- (f) analysis of the financial reporting system and making recommendations when any action is deemed necessary;
- (g) assisting the Board of Directors and the supervisory board so as to exercise proper control of the financial reporting system; and
- (h) monitoring the effectiveness of the Company's internal control and risk management systems.

14/A.3 The members of the Audit Board are listed in Appendix (A) of these Statutes.

(XV) The Auditor of the Company

- 15.1^{175 176} The Shareholders Meeting shall appoint a statutory Auditor for a definite period not exceeding five years, who is a registered auditor, who shall be the employee of an internationally recognised auditing firm or recommended by such firm. A Shareholder of the Company, a member of the Board of Directors, or the Supervisory Board, a relative of said persons respectively may not be Auditor of the Company. An employee of the Company may not be auditor during such employment and for three years after the termination thereof.
- 15.2 The Auditor shall attend the General Meeting of the Company¹⁷⁷. The Auditor shall be obliged to examine the balance sheets, the profit and loss statement of the Company and to report on them to the annual Shareholders Meeting.
- 15.3 In the case the Auditor becomes aware of a decrease in the assets of the Company which endangers the settlement of claims against the Company, or perceives any other issue which entails the liability of the executive officers or the Supervisory Board members for their activity performed in such quality, he is obliged to inform the Supervisory Board and shall without delay request at the Board of Directors the convoking of the Shareholders Meeting. If the Shareholders Meeting is not convened, or it fails to take the decisions required by the legal regulations, the Auditor shall inform the Court of Registration.¹⁷⁸

¹⁷⁴ According to the actual practice of the Company, the BOD is authorized by the GM for the execution of such agreement.

¹⁷⁵ Text modified in accordance with the resolution of the AGM held on June 29, 2011.

¹⁷⁶ Text modified in accordance with the resolution of the AGM held on June 26, 2014.

¹⁷⁷ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

¹⁷⁸ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

- 15.4¹⁷⁹ The Board of Directors and the Supervisory Board may ask the Auditor at any time to undertake a specific audit and to report on said audit. The statutory auditor may not offer such service to Company and may not develop a cooperation with the Board of Directors which endangers the independent and objective performance of his/her auditing duty.
- 15.5 The Auditor may inspect the books of the Company at any time and may ask for information from the members of the Board of Directors and the Supervisory Board¹⁸⁰, as well as from the employees of the Company; he may also examine the cashier's desk, the securities, the inventory, the contracts and the bank account of the Company.
- 15.6 The name of the Auditor of the Company shall be indicated in Appendix (A) of this Statutes.

(XVI) Procuration of the Company

- 16.1 The procuration of the Company shall be effectuated in such a manner that any two members of the Board of Directors or any member of the Board of Directors and a properly empowered employee (procurist) of the Company shall **jointly** sign their signature to the prescribed, preprinted or printed trade name of the Company.

(XVII) Business year of the Company

- 17.1¹⁸¹ The Business Year of the Company shall commence on April 1 of each year and shall end on March 31 of the following year.
The Company, as the legal successor of Zwack Unicum Budapest Liqueur Industry and Trading Ltd., commenced its activity as a joint stock company on September 30, 1992.

(XVIII) Financial provisions

- 18.1¹⁸² Records regarding the Company's property and the book-keeping of the Company shall be kept in accordance with the Hungarian regulations and shall be properly maintained on the basis of the IFRS (International Financial and Reporting Standards).
- 18.2 Concerning the internal legal relationship of the Company and the General Manager, the General Manager shall not be entitled to act or sign on behalf of the Company in any matter that would not fall under the ordinary course of business of the Company, as well as in transactions in which the prior approval of the Shareholders Meeting or the Board of Directors is required, without said prior approvals.
- 18.3¹⁸³¹⁸⁴ At least 10 working days shall elapse between the first publication date of the (general meeting, board of directors) resolution on the initial date of distributing dividends and the initial date of dividend distribution.
- 18.4¹⁸⁵ A member of the Board of Directors or the Supervisory Board is liable for the damages caused to the Company in connection with this capacity pursuant to the rules on breach of contracts, provided that he

¹⁷⁹ Text completed in accordance with the resolution of the AGM held on June 26, 2014.

¹⁸⁰ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

¹⁸¹ Amended in accordance with Resolution of the EGM No. 2/2004. 09. 21. passed by the EGM held on September 21, 2004.

¹⁸² Amended in accordance with the resolution passed by the AGM held on June 29, 2010.

¹⁸³ Inserted in accordance with the resolution passed by the AGM held on April 28, 1999.

¹⁸⁴ Amended in accordance with Resolution of the AGM No. 14/2005. 04. 21. passed by the AGM held on April 21, 2005.

¹⁸⁵ Text included by resolution of the AGEM held on June 26, 2014.

caused the damage wilfully or grossly negligently, or the breach resulted in harm to human life, physical integrity or health.

- 18.5¹⁸⁶ If a member of the Board of Directors or of the Supervisory Board acting in its decision making role (hereinafter jointly referred to as "executive officers" for the purposes of this Section 18.5) causes damage to a third party in connection with this legal relationship, and based on the applicable legal rules he is liable towards this third party jointly and severally with the Company, then the Company undertakes to pay the full amount of damages to the third party based on the Company's joint and several liability. This obligation of the Company becomes due if the executive officer's liability is established by a final or provisionally enforceable judgement, or if the executive officer's liability can otherwise be established beyond any doubt. If the third party brings a damages claim against the executive officer only, the Company undertakes to intervene into the procedure for the purposes of supporting the executive officer's success. The Company also undertakes to arrange for the executive officer's proper legal representation and to bear all the justified costs in connection with the third party's damages claim, in particular the costs related to the executive officer's legal representation and the costs of an eventual court procedure. If the executive officer voluntarily pays damages to the third party, the Company compensates the executive officer for the paid amount, provided that the Company gave its prior consent to the voluntary payment by the executive officer. This Section 18.5 does not apply the case where the executive officer caused the damage wilfully or grossly negligently, or the breach resulted in harm to human life, physical integrity or health. If the Company pays damages, based on its joint and several liability, to a third party for damage caused by the executive officer wilfully or grossly negligently, or if the breach resulted in harm to human life, physical integrity or health, the Company may enforce a regress claim against the executive officer.

(XIX) Division of the profit of the Company

- 19.1¹⁸⁷ The portion of the profit to be declared and distributed to the Shareholders as dividends shall be determined by the Shareholders Meeting. In the event the Meeting of the Shareholders decides to distribute dividends, only those Shareholders and proxies are entitled to receive dividends who are registered in the Share Register on the date of closing set forth for the payment of dividends and whose data, required by legal regulations for the payment of dividends, are available.
- 19.2¹⁸⁸ The Company may effect any disbursement from its own funds to a shareholder, on account of his membership, during the company's existence solely in the cases defined in the Civil Code.
- 19.3¹⁸⁹ Dividend due after treasury shares shall be taken into account as dividend due to the shareholders entitled to dividend, in the proportion of the nominal value of their holdings.

[NOTE: : Pursuant to Subsection 3:225 (3) of the Civil Code: Any dividend that is payable on the company's own shares shall be divided to shareholders entitled to dividends, payable in proportion of the nominal value of their shares." The Civil Code prohibits any derogation from the above provision in Section 3:226, which says that: "Any provision of the statutes which provides more lenient requirements for the company than the provisions of this Act for the conditions of acquisition of treasury shares or as regards the rights that may be exercised with treasury shares shall be null and void." However, this can be taken into account when determining the rate of dividend, thus the difference is only in the calculation method.

¹⁸⁶ Text included by resolution of the AGEM held on June 26, 2014.

¹⁸⁷ Inserted in accordance with the resolution passed by the AGM held on June 28, 2007.

¹⁸⁸ Amended pursuant to the resolution of the AGM held on April 22, 2004.

¹⁸⁹ Inserted in accordance with Resolution of the AGM No. 14/2005. 04. 21. passed by the AGM held on April 21, 2005.

Since the AGM of 2014 approves the dividend for the business year of 2013 as part of the annual report on 2013 - based on the Companies Act in force before March 15, 2014 and the version of the Statutes in force before the AGM–; the dividends for the year of 2013 will be paid in accordance with the former regulations.]

19.4¹⁹⁰ The shareholders are entitled to claim the dividend within the statute of limitation set forth in the Civil Code (5 years), starting on the initial date for the payment of dividends. Thereafter, the statute of limitation related to the dividends expires.

(XX) Increase of the share capital of the Company

20.1 The Company is entitled to increase the share capital according to the rules of the Civil Code.

20.2¹⁹¹ An increase in the share capital may be effectuated through a subscription for new shares, a conversion of assets from the capital surplus into share capital, a conversion of a Convertible Bond into shares, or in other ways as set forth in the Civil Code..

20.3^{192 193} [Deleted.]

20.4¹⁹⁴ When increasing the share capital of the Company by way of issuance of new shares, the persons entitled to receive the shares in accordance with their prior declaration of intent to purchase have to be stipulated in the resolution so that in case the share capital is increased by a private offering of shares by way of cash infusion, such persons are entitled to exercise such right only if the persons set forth in Section 10.1 did not exercise their preemptive subscription right. If the persons and shareholders respectively determined by the Shareholders Meeting have not subscribed the shares representing the amount of the planned share capital increase until the deadline fixed for subscription, then the increase of the share capital shall be considered as failed.

20.5^{195 196 197} The detailed rules for the exercising of the preemptive subscription rights shall be set forth in the resolution on the capital increase to be passed by the Shareholders Meeting or the Board of Directors. The Shareholders' Meeting - based on a written motion presented by the Board of Directors - may decide to restrict or exclude the exercise of preemptive subscription rights. In this case, the motion submitted by the Board of Directors shall specify the proposed issue price of the shares involved and the reasons for restricting or excluding preemptive subscription rights. The motion of the Board of Directors shall contain the economic advantage connected to the exclusion of the preemptive subscription rights which could not be reached when maintaining the preemptive subscription rights.

The Shareholders' Meeting, in its resolution authorizing the increase of the share capital, may authorize the Board of Directors to restrict or exclude the exercise of the preemptive subscription right for the duration of the authorization for the share capital increase.

¹⁹⁰ Inserted in accordance with the resolution passed by the AGM held on June 28, 2007.

¹⁹¹ Amended pursuant to the resolution of the AGM held on April 22, 2004

¹⁹² Text deleted in accordance with the resolution of the AGM held on June 26, 2014.

¹⁹³ Amended pursuant to the resolution of the AGM held on April 22, 2004

¹⁹⁴ Amended pursuant to the resolution of the AGM held on April 22, 2004

¹⁹⁵ Amended pursuant to the resolution of the AGM held on April 22, 2004

¹⁹⁶ Text amended in accordance with the resolution of the Shareholders' Meeting held on June 29, 2010.

¹⁹⁷ Text amended in accordance with the resolution of the AGM held on June 26, 2014.

The Shareholders Meeting shall decide on the motion regarding the restriction or exclusion of the preemptive subscription right prior to deciding on the proposal regarding the increase of the share capital.

[NOTE: The Civil Code does not provide for a mandatory publication in case of a capital increase in kind, without the report of an auditor or an expert, only the auditor's or expert's report shall be published.]

20.6¹⁹⁸ The Board of Directors shall be entitled to initiate the listing of the shares of the Company on the Stock Exchange of Budapest in the case of the successful completion of the capital increase within six (6) months following the full payment for the shares. If the capital increase affects the number or face value of a share series already listed at the Stock Exchange, the Board of Directors shall request from the Stock Exchange the modification of the product list, so that the modification is executed in the product list within 90 (ninety) days from receipt of the relevant court registration order (Section 16.1 of the Regulations of the Budapest Stock Exchange for Listing, Continued Trading and Disclosure).

(XXI) Reduction of the share capital of the Company

21.1¹⁹⁹ The decrease of the registered capital may take place:

- (a) by exchanging the share; or
- (b) by withdrawing or cancelling of shares, and by refunding any payments made in connection with shares to the shareholders.

21.2^{200 201} The reason for and the execution manner of the reduction of the share capital, the amount of and the shares affected by such reduction, the period within which the shares must be surrendered to the Company, as well as the fact whether the registered capital is reduced in the interest of a withdrawal of capital or the settlement of losses, or in order to increase another part of the equity of the Company²⁰² shall be indicated in the resolution of the Shareholders Meeting relating to the reduction of the share capital. If, according to the Civil Code., the decrease of the share capital is mandatory, the Company's Shareholder's Meeting shall adopt a resolution on the capital reduction within sixty days from the occurrence of the circumstance creating such obligation. [Section 3:311 (1) of the Civil Code].

21.3²⁰³ With the exception of a mandatory reduction of the registered capital, the resolution of the Shareholders Meeting on the registered capital reduction may be passed only if a majority of at least three-quarters of the shareholders of the series of shares affected by the registered capital reduction consent thereto in advance. At this decision, any potential provisions restricting or excluding the voting right attached to the shares – except for the prohibition of exercising voting rights on treasury shares – shall not be applicable. In the course thereof, the procedure described in

¹⁹⁸ Text amended in accordance with the resolution of the AGM held on June 26, 2014.

¹⁹⁹ The modifications relating to Section 21.1 of the Statutes shall enter into force on the day of the transformation of the common Shares into dematerialized shares, i.e., on the first working day following the last day of the period specified for the submission of the printed common Shares pursuant to the first sentence of Section 11(1) of the Capital Markets Act, i.e., on October 25, 2004. The provisions proposed to be deleted shall become ineffective as of the same date.

²⁰⁰ Amended pursuant to the resolution of the AGM held on April 22, 2004

²⁰¹ Text amended in accordance with the resolution of the AGM held on June 26, 2014.

²⁰² Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

²⁰³ Text amended in accordance with the resolution of the AGM held on June 26, 2014.

Section 11.5 shall apply. The share series the shares of which are exchanged or cancelled shall be regarded as affected by the capital reduction.²⁰⁴

21.4²⁰⁵ The Company shall be obliged to decrease the registered capital in cases prescribed by the Civil Code, especially if the equity of the Company due to losses, has decreased to two-thirds of the registered capital and such circumstance is not eliminated within three months following the conclusion of the Shareholders Meeting which had been convened in order to eliminate such circumstance. Should the registered capital decrease below twenty million Hungarian Forint, (HUF 20,000,000) as the result of the capital decrease, the Shareholders Meeting shall be obliged to decide on the transformation of the Company limited by shares into another form of a business association or on the termination of the Company without a legal successor.²⁰⁶

(XXII) Termination of the Company

22.1²⁰⁷ The Company shall be terminated:

- (a) if the Shareholders Meeting decides upon a merger (consolidation, acquisition merger), de-merger (division, separation) or transformation or termination without a legal successor of the Company;
- (b) if the Court of Registration declares it as dissolved;
- (c) if the Court makes a decision on the termination of the Company in the course of a liquidation procedure;
- (d) upon the order of the Court of Registration on its deletion ex officio.

(XXIII) Applicable Law and Settlement of Legal Disputes

23.1 As to the questions not regulated in the present Statutes, the prevailing Hungarian legal regulations shall apply.

23.2 Any disputes, disparities or issues arising from this Statutes concerning the content, meaning or effect of these Statutes which cannot be resolved amicably through consultation, shall be finally settled exclusively by the Permanent Court of Arbitration attached to the Hungarian Chamber of Commerce and Industry, which Court will apply its own procedural rules, including that the presiding arbitrator may be a foreigner.

23.3 The place of arbitration shall be Budapest, Hungary.

23.4 The language of the Arbitration shall be Hungarian.

23.5 During the Arbitration proceedings, upon the request and at the cost of the other party, the parties are obliged to submit to the Arbitration Court and to the other party, their submitted briefs regarding the case in English and in Hungarian as well.

23.6 In case of a legal dispute, the rules of the applicable Hungarian law shall apply.

(XXIV) Notices

²⁰⁴ New text inserted in accordance with the resolution passed by the AGM held on April 28, 1999.

²⁰⁵ Amended pursuant to the resolution of the AGM held on April 22, 2004.

²⁰⁶ New text inserted in accordance with the resolution passed by the AGM held on April 28, 1999.

²⁰⁷ Amended in accordance with the resolution passed by the AGM held on April 28, 1999.

May 30, 1995
May 29, 1996
May 28, 1997
April 28, 1998
April 28, 1999
April 26, 2000
April 24, 2002
April 29, 2003
April 22, 2004
September 21, 2004
April 21, 2005
June 30, 2005
June 29, 2006
June 28, 2007
December 8, 2007
June 26, 2008
June 30, 2009
June 29, 2010
June 29, 2011
June 28, 2012
June 27, 2013
June 26, 2014

Clause

This consolidated version of the Statutes has been duly approved by Resolution of the AGM No. **●**/2014.06.26. of the Company's AGM held on June 26, 2014 in Budapest.

Zwack Sándor
a Közgyűlés elnöke / Chairman of the General Meeting

Stampfer Nagy Barbara
jegyzőkönyvvezető / Keeper of the Minutes

Zsolnai Fáni
(Diageo Holdings Netherlands B.V.)
hitelesítő részvényes / Confirmor of the Minutes

Mrs. Anne Zwack de Wahl **Mr. Hans-Dieter
Melwisch**
(PZHAG)
hitelesítő részvényes / Confirmor of the Minutes

Endorsed by: