



TVK Plc.
MEMBER OF THE MOL GROUP

DOCUMENTS FOR THE ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING OF TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY

TO BE HELD ON APRIL 15, 2014

Date of the AGM: **April 15, 2014, 11 a.m.**

Venue of the AGM: **Danubius Health Spa Resort Margitsziget & Danubius Grand Hotel
Margitsziget, „Ybl” room
(1138 Budapest, Margitsziget)**

Dear Shareholder,

The Annual General Meeting of the Company was convened by the Board of Directors of TVK Plc. for April 15 2014, 11 a.m., whose agenda is contained in the announcement published as stipulated in the by-laws. The announcement was published on 14 March 2014 on the website of the company, of the Budapest Stock Exchange, of the London Stock Exchange and on the Disclosure website of Hungarian National Bank.

**ANNOUNCEMENT BY THE BOARD OF DIRECTORS
OF TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
ON THE CONVOCAION OF THE COMPANY’S ORDINARY GENERAL MEETING IN 2014**

The Board of Directors of **Tisza Chemical Group Public Limited Company** (H-3581 Tiszaújváros, TVK-Industrial Site, TVK Central Office Building, Lot number: 2119/3, Building number: 136., Hungary, Cg. 05-10-000065) notifies the esteemed shareholders that pursuant the Company

**will hold its ordinary annual general meeting
on (Tuesday), April 15, 2014 at 11.00 a.m.
in the “Ybl” Room of Danubius Health Spa Resort Margitsziget & Danubius Grand Hotel Margitsziget
(H-1138 Budapest, Margitsziget, Hungary).**

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

1. Closing of the business year of 2013:
 - Report of the Board of Directors on the Company’s operations during the last business year;
 - The Board of Directors’ presentation of the annual financial statements prepared in accordance with the requirement of the Hungarian Accounting Law [that of the parent company and the one consolidated in compliance with International Financial Reporting Standards (IFRS)] and the related business reports and its proposal on the distribution of the profit after tax and the determination of dividends.
 - The auditor’s report on the annual financial statements prepared in accordance with the requirements of the Hungarian Accounting Law for the business year of 2013.
 - Report of the Supervisory Board on the annual financial statements prepared in accordance with the requirements of the Hungarian Accounting Law [that of the parent company and the one consolidated in compliance with International Financial Reporting Standards (IFRS)] furthermore on the related business report and its motion for the distribution of profit and determination of the dividends.
 - Decision on the approval of the annual financial reports prepared in accordance with the requirement of the Hungarian Accounting Law [that of the parent company and the one consolidated in compliance with International Financial Reporting Standards (IFRS)] and the related business reports and resolution on the distribution of the profit and determination of the dividends.
 - Decision on the approval of the Corporate Governance Report.
2. Appointment of the auditor, determination of its remuneration for the year 2014 and the contents of the essential elements of the contract to be concluded with the auditor.

3. Decision on the waiver to be granted to the executive officers according to Section 30 (5) of the Companies Act.
4. Election, recall and determination of the remuneration of the members of the Board of Directors.
5. Election, recall and determination of the remuneration of the members of the Supervisory Board and the Audit Committee.
6. Authorisation of the Board of Directors to acquire treasury shares
7. Decision on the application of the new Civil Code (Act V of 2013 on the Civil Code) for the Company
8. Amendment of the Articles of Association

The right to propose an addition to the agenda of the General Meeting can be exercised by the shareholders who possess at least one percent of the votes within a period of eight days after the publication of the announcement on the convocation of the general meeting. Shareholders possessing at least one percent of the votes are entitled to put forward also proposals for resolution concerning the items on the agenda.

The general meeting convoked for the announced time will **have quorum** if attended in person or through their authorized representatives by shareholders representing more than half of the voting shares.

In the event the general meeting does **not have quorum**, the Board of Directors will – according to Section 305. § (1) of the Companies Act – hereby convoke the general meeting repeated for the lack of quorum for the same day, that is, at 12.00 a.m. of (Tuesday) April 15, 2014, with the same agenda and on the same venue. The conditions for having right to participate in the repeated general meeting are the same as the conditions for participation in the original general meeting. The repeated general meeting will have quorum in respect of matters on the original agenda regardless of the number of attending shareholders.

Proposed resolutions relating to the items on the agenda will be published on the web sites of the Budapest Stock Exchange, the London Stock Exchange and of the Company in harmony with the Regulations of the Budapest Stock Exchange for listing and continued trading 21 days before the day of annual general meeting.

Conditions for participating in the general meeting and exercising the voting rights:

In order to be registered in the Share Register in the course of the shareholders' identification, shareholders must comply with the Articles of Association of the Company and the relevant laws.

The name of shareholders and Nominees intending to participate in the General Meeting shall be registered by the manager of the Share Register on April 11, 2014 and it has to be in compliance with the result of the shareholder's identification. Upon instruction of the Board of Directors the **Share Register will be closed on April 11, 2014**, and no application for registration shall be accepted until the day following the closing of the general meeting. **The record date of the shareholders' identification shall be April 3, 2014.** In line with the relevant legal provisions the shareholder's rights (namely; participation in

the general meeting, request for information within the legal framework, the exercise of voting rights) can be only exercised by that person whose name is included in the share register at 6 p.m. latest two working days before the starting day of the general meeting. The securities account holders shall be responsible for registering the shareholders in the Share Register upon instruction of such shareholders. The securities account holders shall provide information to the shareholders on the deadlines for giving instructions to the securities account holders.

The Company shall not be liable for the performance of or the failure to perform the instructions given to the securities account holder. Closing the Share Register does not restrict the right of the persons registered in the Share Register to transfer their shares following the closing date. Transferring shares prior to the general meeting does not deprive the persons registered in the Share Register of their rights to participate at the general meeting and exercise their rights they are entitled to as shareholders.

The holders of registered ordinary shares shall have one point one hundredth (1.01) of a vote for each share with the face value of HUF 1,010.

Every shareholder may participate at the general meeting in person or through their representatives complying with the provisions of Act IV of 2006 on business associations (Companies Act) or through the shareholder's proxy holding a power-of-attorney complying with the provisions of Act CXX of 2001 on the Capital Market, as amended.

Shareholders may exercise their rights at a General Meeting via a proxy. Unless otherwise provided under law, a member of the Board of Director of the Supervisory Board, the Chief Executive Officer and senior officers of the Company may not act as a proxy except for the cases when such persons acting under proxy possess clear and specific written voting instructions in respect of each proposal for resolution given to them by the shareholders issuing the Letters of Proxy. A Letter of Proxy shall be submitted to the Company in the form of a public document, a private document with full conclusive force or using the form received from the Company.

Shareholders wishing to grant power of attorney to a proxy using the form specified in Section 16.2 of the Articles of Association shall submit a request to the effect in a letter to the Treasury organization of TVK Plc. (mailing address: H-3581 Tiszaújváros, P.O.Box: 20., Hungary) or by e-mail (at rezvnyiroda@tvk.hu), no later than April 11, 2014. The request shall accurately identify the shareholders name and (mailing or e-mail) address to which the form can be delivered.

The power-of-attorney made out to the name of the representative shall be set forth in a public document or a fully conclusive private document. As far as representation of legal entities operating in the territory of the Republic of Hungary is concerned, the signatory rights for the legal entity(ies) signing the power-of-attorney shall be verified by means of a document issued by authentic public records (a certificate of incorporation, not older than 30 days) and by specimen signature card.

Powers-of-attorney made out in the form of public document or private document abroad shall be legalized by the authority representing Hungary abroad which is competent for the place where the document is made out. It is not necessary to legalize a public document made out abroad where the country it is made out in is a party to the convention signed in The Hague on October 5, 1961 on „Abolishing the Requirement of Legalization for Foreign Public Documents”. In such a case the public documents has to be equipped with an authentication clause („Apostille”).

The power of attorney (with the exception of the power of attorney issued by a proxy card) shall be deposited at registration prior to the commencement of the general meeting at the latest, in accordance

to the Articles of Association. The power of attorney given by a proxy card shall arrive to the address of the Company (H-3581 Tiszaújváros, TVK-Industrial Site, TVK Central Office Building, Lot number: 2119/3, Building number: 136.; mailing address: H-3581 Tiszaújváros, P.O.Box: 20., Hungary) by April 14, 2014 at the latest.

The certified Hungarian translation of documents serving to verify the representation rights in foreign language have to be attached in every case.

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

In respect of owners of Global Depository Receipts („GDR”) the right to exercise representation rights lies with The Bank of New York Mellon pursuant to the power-of-attorney received from the shareholders with regard to the proposed resolutions of the general meeting. Information on the detailed procedural rules relating to the exercising of representation rights will be given to GDR owners by the associate of The Bank of New York Mellon (Mr. Slawek Soltowski, The Bank of New York Mellon, Depository Receipts Division, 101 Barclay Street, 22nd Floor, West New York, NY 10286 USA, fax: 00/1/212/571-3050, telephone: 00/1/212/815-3503, E-mail: slawek.soltowski@bnymellon.com).

Shareholder's (representative) rights will be verified on the venue and date of the general meeting between 9.45 and 10.30 a.m. Registration is also subject to the verification of the shareholder's or his or her proxy's identity by the presentation of a valid identity card, passport, driver's license or a valid passport of foreign citizens. Actions of representatives also require the submission of a proper power-of-attorney.

On the day of the general meeting the list of attendants will be closed at 10.30 a.m. and those shareholders or their representatives may participate and exercise their voting rights in the general meeting who have registered themselves by this time. Upon closing the list of attendants the shareholders arriving before the start of the general meeting may attend the general meeting as audience but they shall not exercise their voting rights. On this account we ask our shareholders and their representatives to appear in time for the registration.

Information in connection with the announcement and the status of registration in the Share Register is available through the Investor Relations expert of the Company – within the framework of customer service – from 9.00 through 15.00 on working days (telephone: +36/49-522-377, e-mail: rezvenyiroda@tvk.hu).

The language of the general meeting shall be Hungarian.

This announcement is published in Hungarian and English. The Hungarian version shall be deemed as the official text of this announcement.

Tiszaújváros, March 14, 2014

BOARD OF DIRECTORS
TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY

PROPOSALS FOR THE ANNUAL GENERAL MEETING

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

TO BE HELD ON APRIL 15, 2014

PROPOSAL
to Item 1 of the Agenda of the 2014 Annual General Meeting
Proposals for closing the business year 2013

Report of the Board of Directors on the Company's operations during the business year of 2013; presentation of the annual financial statements prepared in accordance with the requirements of the Hungarian Accounting Law for the business year of 2013 (that of the parent company and the one consolidated in compliance with International Financial Reporting Standards (IFRS)) and the related business reports and its proposal on the use of the profit after tax.

Our shareholders are requested to note that the following reports are attached to the AGM Documents: TVK Plc's unconsolidated and consolidated Annual Report for the year 2013 and the related Business Reports. The Report of the Board of Directors on the Company's operations during 2013 will be presented on the AGM.

TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
Balance sheet – Assets for the year ending on 31 December 2013

(All amounts in millions of HUF, unless otherwise indicated)

The accompanying notes are an integral part of this balance sheet.

Statistical code: 10725759-2016-114-05

Company registration number: 05-10-000065

	Description	Prior year	Current year
A.	NON-CURRENT ASSETS	107,774	111,582
A/I	INTANGIBLE ASSETS	1,895	2,081
A/I/1	Capitalized cost of foundation and restructuring	0	0
A/I/2	Capitalized research and development	0	0
A/I/3	Property rights	0	0
A/I/4	Intellectual property	1,895	2,081
A/I/5	Goodwill	0	0
A/I/6	Advances on intangible assets	0	0
A/I/7	Revaluation of intangible assets	0	0
A/II	PROPERTY, PLANT AND EQUIPMENT	103,098	107,284
A/II/1	Land and building and related property rights	27,059	26,315
A/II/2	Plant, machinery and vehicles	70,375	64,646
A/II/3	Other equipment, fixtures and vehicles	4,030	3,968
A/II/4	Livestock	0	0
A/II/5	Assets under construction	1,634	8,212
A/II/6	Advances on assets under construction	0	4,143
A/II/7	Revaluation of property, plant and equipment	0	0
A/III	NON-CURRENT FINANCIAL INVESTMENTS	2,781	2,217
A/III/1	Non-current investments	2,781	2,217
A/III/2	Non-current loans to related parties	0	0
A/III/3	Other non-current investments	0	0
A/III/4	Non-current loans to other investments	0	0
A/III/5	Other non-current loans	0	0
A/III/6	Non-current debt securities	0	0
A/III/7	Revaluation of financial investments	0	0

TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
Balance sheet – Assets for the year ending on 31 December 2013

(All amounts in millions of HUF, unless otherwise indicated)

The accompanying notes are an integral part of this balance sheet.

Statistical code: 10725759-2016-114-05

Company registration number: 05-10-000065

	Description	Prior year	Current year
B	CURRENT ASSETS	93,617	91,784
B/I	INVENTORIES	20,973	15,638
B/I/1	Raw materials and consumables	6,048	6,408
B/I/2	Unfinished production and semi-finished products	2,063	1,039
B/I/3	Grown, fattened and other livestock	0	0
B/I/4	Finished products	11,261	8,087
B/I/5	Merchandises	1,537	37
B/I/6	Advances on inventories	64	67
B/II	RECEIVABLES	68,858	70,188
B/II/1	Receivables from the supply of goods and services	42,245	42,388
B/II/2	Receivables from related parties	8,181	11,398
B/II/3	Receivables from other investments	0	0
B/II/4	Receivables from bills of exchange	0	0
B/II/5	Other receivables	18,432	16,402
B/III	SECURITIES	231	0
B/III/1	Securities in related parties	0	0
B/III/2	Other securities	0	0
B/III/3	Treasury shares	0	0
B/III/4	Debt securities for trading purposes	231	0
B/IV	CASH AND CASH EQUIVALENTS	3,555	5,958
B/IV/1	Cash and cheques	3	0
B/IV/2	Bank accounts	3,552	5,958
C	PREPAYMENTS	959	84
C/1	Accrued income	916	39
C/2	Prepaid cost and expenses	43	45
C/3	Deferred expenses	0	0
	TOTAL ASSETS	202,350	203,450

TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
Balance sheet – Liabilities for the year ending on 31 December 2013
(All amounts in millions of HUF, unless otherwise indicated)

Statistical code: 10725759-2016-114-05
Company registration number: 05-10-000065

	Description	Prior year	Current year
D	SHAREHOLDERS' EQUITY	109,714	115,915
D/I	Share capital	24,534	24,534
	- of which: treasury shares at nominal value	0	0
D/II	Registered but unpaid capital	0	0
D/III	Share premium	4,624	4,624
D/IV	Retained earnings	94,266	80,556
D/V	Tied-up reserve	0	0
D/VI	Valuation reserve	0	0
D/VII	Net income for the period	(13,710)	6,201
E	PROVISIONS	4,916	2,609
E/1	Provision for expected liabilities	4,916	2,609
E/2	Provision for future expenses	0	0
E/3	Other provisions	0	0
F	LIABILITIES	86,241	81,761
F/I	SUBORDINATED LIABILITIES	0	0
F/I/1	Subordinated liabilities to related parties	0	0
F/I/2	Subordinated liabilities to other investment	0	0
F/I/3	Subordinated liabilities to third parties	0	0

TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
Balance sheet – Liabilities for the year ending on 31 December 2013
 (All amounts in millions of HUF, unless otherwise indicated)

Statistical code: 10725759-2016-114-05

Company registration number: 05-10-000065

	Description	Prior year	Current year
F/II	NON-CURRENT LIABILITIES	20,390	24,050
F/II/1	Non-current loans	0	0
F/II/2	Convertible bonds	0	0
F/II/3	Liability from bond issue	0	0
F/II/4	Liabilities from capital investment and development loans	0	0
F/II/5	Liabilities from other non-current loans	0	2,375
F/II/6	Non-current liabilities to related parties	20,390	21,675
F/II/7	Non-current liabilities to other investments	0	0
F/II/8	Other non-current liabilities	0	0
F/III	CURRENT LIABILITIES	65,851	57,711
F/III/1	Current borrowings	0	0
F/III/2	Current loans	3,938	6,091
F/III/3	Advances from debtors	306	145
F/III/4	Liabilities from the supply of goods and services (suppliers)	5,397	8,443
F/III/5	Bills of exchange	0	0
F/III/6	Current liabilities to related parties	52,951	40,035
F/III/7	Current liabilities to other investments	0	0
F/III/8	Other current liabilities	3,259	2,997
G	ACCRUALS	1,479	3,165
G/1	Deferred revenues	22	1
G/2	Accrued cost and expenses	1,456	3,164
G/3	Other deferred revenues	1	0
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	202,350	203,450

TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
Income Statement for the year ending on 31 December 2013
 (All amounts in millions of HUF, unless otherwise indicated)
 The accompanying notes are an integral part of this income statement.

Statistical code: 10725759-2016-114-05

Company registration number: 05-10-000065

	Description	Prior year	Current year
1	Net domestic sales revenue	206,766	212,811
2	Net export sales revenue	177,293	193,968
I	NET SALES REVENUES	384,059	406,779
3	Changes in own-produced inventory	4,699	(4,199)
4	Work performed by the enterprise and capitalised	1,517	1,435
II	CAPITALISED OWN PERFORMANCE	6,216	(2,764)
III	OTHER OPERATING INCOME	2,166	3,184
	-of which reversed impairment	966	0
5	Raw material costs	333,236	337,550
6	Value of services used	12,248	11,791
7	Other services	1,344	1,518
8	Cost of goods sold	26,660	16,972
9	Value of services sold (intermediated)	4,262	4,030
IV	MATERIAL EXPENSES	377,750	371,861
10	Wages and salaries	6,022	5,763
11	Other personnel expenses	1,023	922
12	Tax and contributions	1,946	1,848
V	PERSONNEL EXPENSES	8,991	8,533
VI	DEPRECIATION	11,932	11,389
VII	OTHER OPERATING EXPENSES	10,950	7,161
	-of which: impairment	2,168	330
A	PROFIT OR LOSS FROM OPERATING ACTIVITIES	(17,182)	8,255

TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
Income Statement for the year ending on 31 December 2013
 (All amounts in millions of HUF, unless otherwise indicated)
 The accompanying notes are an integral part of this income statement.

Statistical code: 10725759-2016-114-05

Company registration number: 05-10-000065

	Description	Prior year	Current year
13	Received (due) dividend	587	531
	-of which received from related parties	587	531
14	Gain from the sale of investments	68	10
	-of which received from related parties	68	10
15	Interest and exchange rate gains on financial investments	16	13
	-of which received from related parties	0	0
16	Other received (due) interest and interest-type revenues	57	16
	-of which received from related parties	37	9
17	Other revenues of financial difference	10,185	6,891
	-of which: fair valuation difference	0	0
VIII	TOTAL FINANCIAL INCOME	10,913	7,461
18	Exchange rate loss on financial investments	0	0
	-of which: to related parties	0	0
19	Interest and interest-type expenses	1,100	1,607
	-of which to related parties	994	1,328
20	Impairment on investments, securities and bank deposits	(3)	0
21	Other financial expenses	9,887	6,999
	-of which: fair valuation difference	0	0
IX	TOTAL FINANCIAL EXPENSES	10,984	8,606
B	FINANCIAL PROFIT OR LOSS	(71)	(1,145)
C	ORDINARY BUSINESS PROFIT	(17,253)	7,110
X	EXTRAORDINARY REVENUES	3,543	576
XI	EXTRAORDINARY EXPENSES	0	1,265
D	EXTRAORDINARY PROFIT OR LOSS	3,543	(689)
E	PROFIT BEFORE TAXATION	(13,710)	6,421
XII	Income tax	0	220
F	PROFIT AFTER TAXATION	(13,710)	6,201
22	Use of retained earnings for dividend	0	0
23	Approved dividend and profit share	0	0
G	NET INCOME FOR THE PERIOD	(13,710)	6,201

TVK Plc. and subsidiaries - Consolidated balance sheet
prepared in accordance with International Financial Reporting Standards
31 December 2013

The notes are an integral part of these consolidated financial statements

	2013	2012
		restated
ASSETS	HUF million	HUF million
Non-current assets		
Intangible assets	2,081	2,194
Property, plant and equipment, net	118,331	119,643
Investments in associated companies	-	132
Deferred tax assets	1,536	1,603
Other non-current assets	4,143	1
Total non-current assets	126,091	123,573
Current assets		
Inventories	13,341	17,461
Trade receivables, net	52,921	49,683
Securities	-	222
Other current assets	16,831	18,819
Prepaid taxes	285	135
Cash and cash equivalents	8,700	6,440
Total current assets	92,078	92,760
TOTAL ASSETS	218,169	216,333
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	24,534	24,534
Reserves	90,852	98,432
Profit for the year attributable to equity holders of the parent	5,661	(7,579)
Equity attributable to equity holders of the parent	121,047	115,387
Non-controlling interests	-	-
Total equity	121,047	115,387
Non-current liabilities		
Long-term debt, net of current portion	31,508	29,265
Provisions	2,140	2,422
Deferred tax liabilities	-	-
Other non-current liabilities	32	37
Total non-current liabilities	33,680	31,724
Current liabilities		
Trade and other payables	53,472	58,667
Provisions	676	1,373
Short-term debt	5,668	8,030
Current portion of long-term debt	3,626	1,152
Total current liabilities	63,442	69,222
TOTAL EQUITY AND LIABILITIES	218,169	216,333

TVK Plc. and subsidiaries
Consolidated income statement
prepared in accordance with International Financial Reporting Standards
31 December 2013

The notes are an integral part of these consolidated financial statements

	2013	2012
		restated
	HUF million	HUF million
Net revenue	402,490	374,584
Other operating income	704	2,192
Total operating income	403,194	376,776
Raw materials and consumables used	362,866	363,984
Personnel expenses	8,167	9,482
Depreciation, depletion, amortisation and impairment	13,529	13,836
Other operating expenses	5,096	5,234
Change in inventories of finished goods and work in progress	4,199	(4,699)
Work performed by the enterprise and capitalized	(1,417)	(2,092)
Total operating expenses	392,440	385,745
Operating profit	10,754	(8,969)
Financial income	685	2,934
Financial expense	3,685	3,222
Financial expense, net	(3,000)	(288)
Income from associates	-	-
Profit before tax	7,754	(9,257)
Income tax expense	2,093	(1,678)
Profit for the year	5,661	(7,579)
Attributable to:		
Equity holders of the parent	5,661	(7,579)
Non-controlling interests	-	-
Basic earnings per share		
Attributable to ordinary equity holders of the parent (HUF)	233	(312)
Diluted earnings per share		
Attributable to ordinary equity holders of the parent (HUF)	233	(312)

PROPOSAL
to Item 1 of the Agenda of the 2014 Annual General Meeting
Proposals for closing the business year 2013

The auditor's report on the annual financial statements prepared in accordance with the requirements of the Hungarian Accounting Law for the business year of 2013.

Our shareholders are requested to note that the Auditor's Reports form integral parts of the Annual Report and Consolidated Annual Report for 2013 of TVK Plc. and the information set out in these reports should be considered in conjunction with the financial statements indicated in said reports (Balance-sheet and Income statement) and with the supplementary notes, not present in the General Meeting materials. For a better understanding of TVK Plc.'s and TVK Group's consolidated financial position as of 31 December 2013 and the results of its operations for the year then ended, the accompanying balance sheets and statements of operations should be read in conjunction with the supplement (notes) to the financial statements.

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of Tisza Chemical Public Limited Company

Report on financial statements

1.) We have audited the accompanying 2013 annual financial statements of Tisza Chemical Public Limited Company (“the Company”), which comprise the balance sheet as at 31 December 2013 - showing a balance sheet total of HUF 203,450 million and a profit for the year of HUF 6,201 million -, the related income statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the financial statements

2.) Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Hungarian Accounting Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

3.) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity’s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5.) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6.) In our opinion the annual financial statements give a true and fair view of the equity and financial position of Tisza Chemical Public Limited Company as at 31 December 2013 and of the results of its operations for the year then ended in accordance with the Hungarian Accounting Law.

Emphasis of matter

7.) We draw attention to Note 37.3 in the supplementary notes, which describes the environmental aspects of the Company's operation and highlights the risk of additional significant decontamination expenses that might incur over the current amount of the provision in relation to past environmental damage as may be identified by future environmental surveys. Our opinion is not modified in respect of this matter.

Other matters

8.) This independent auditor's report has been issued for consideration by the forthcoming shareholders' meeting for decision making purposes and, as such, does not reflect the impact, if any, of the resolutions to be adopted at that meeting.

Other reporting requirement – Report on the business report

9.) We have reviewed the business report of Tisza Chemical Public Limited Company for 2013. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether the business report is consistent with the financial statements for the same financial year. Our work regarding the business report has been restricted to assessing whether the business report is consistent with the financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the business report of Tisza Chemical Public Limited Company for 2013 corresponds to the disclosures in the 2013 financial statements of Tisza Chemical Public Limited Company.

Budapest, 13 March 2014

Havas István
Ernst & Young Kft.
Registration No. 001165

Havas István
Registered auditor
Chamber membership No.: 003395

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of Tisza Chemical Group Public Limited Company

Report on financial statements

1.) We have audited the accompanying 2013 consolidated annual financial statements of Tisza Chemical Group Public Limited Company (“the Company”), which comprise the consolidated balance sheet as at 31 December 2013 - showing a balance sheet total of HUF 218,169 million and a profit for the year of HUF 5,661 million -, the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the consolidated financial statements

2.) Management is responsible for the preparation and presentation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

3.) Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity’s preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5.) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6.) In our opinion the consolidated annual financial statements give a true and fair view of the equity and financial position of Tisza Chemical Group Public Limited Company as at 31 December 2013 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards as adopted by EU.

Emphasis of matter

7.) We draw attention to Note 28 of the consolidated financial statements that describe the environmental aspects of the Company's operation and highlights the risk of additional significant decontamination expenses that might incur over the current amount of the provision in relation to past environmental damage as may be identified by future environmental surveys. Our opinion is not modified in respect of this matter.

Other reporting requirement – Report on the consolidated business report

8.) We have reviewed the consolidated business report of Tisza Chemical Group Public Limited Company for 2013. Management is responsible for the preparation of the consolidated business report in accordance with the Hungarian legal requirements. Our responsibility is to assess whether the consolidated business report is consistent with the consolidated financial statements for the same financial year. Our work regarding the consolidated business report has been restricted to assessing whether the consolidated business report is consistent with the consolidated annual financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the consolidated business report of Tisza Chemical Group Public Limited Company for 2013 corresponds to the disclosures in the 2013 consolidated annual financial statements of Tisza Chemical Group Public Limited Company.

Budapest, 13 March 2014

Havas István
Ernst & Young Kft.
Registration No. 001165

Havas István
Registered auditor
Chamber membership No.: 003395

PROPOSAL

to Item 1 of the Agenda of the 2014 Annual General Meeting
Proposals for closing the business year 2013

Report of the Supervisory Board on the annual financial statements prepared in accordance with the requirements of the Hungarian Accounting Law for the business year of 2012 and its opinion on the Board of Directors' proposal for the distribution of the profit after tax.

Report of the Supervisory Board to the Shareholders of TVK Plc.

March 12, 2014

Throughout the business year of 2013, TVK Plc's Supervisory Board performed its activities in the form of regular board meetings. The Supervisory Board presents the General Assembly with its present business report, pertaining to the business year of 2013, based on the report of the Board of Directors (BOD), the independent auditor's report and its continuous review of the operation of the cooperation.

According to the opinion of the Supervisory Board, the BOD's 2013 operation and actions are in line with the laws, with TVK Plc's Articles of Associations and internal regulations. The company's corporate information systems and internal regulations ensure the transparency and continuous control of the operation of the company. During the operation of the company, each shareholder received equal treatment as required by law.

Through the Chief Executive Officer, the BOD continuously informed the Supervisory Board about the performance of the company steps taken to implement its strategy.

After the former years, the year of 2013 was a turning-point for TVK Plc. During the whole year, external market factors turned into more favourable as in the past years. These effects, besides the new corporate investment strategy and the successful execution of the internal efficiency improvement programs had positive influence on the corporate profitability. In the opinion of Supervisory Board, the decisions, made by the management of the company on strategy, cost cutting and efficiency improvement helped to gain the optimum of the effects of the improving external environment.

In the opinion of the Supervisory Board, the 2013 work of the BOD was successful.

The Supervisory Board recommends the General Assembly to accept TVK Plc's 2013 annual report prepared according to the Hungarian Act on Bookkeeping with a balance sheet total of HUF 203,450 million and after-tax loss of HUF 6,201 million, as well as the TVK Group's 2013 consolidated annual report with a balance sheet total of HUF 218,169 million and an after tax loss of HUF 5,661 million. The Supervisory Board approves the recommendation of the BOD regarding the utilisation of the 2013 result after tax.

The Supervisory Board supports the election of Ernst & Young Könyvvizsgáló Kft. as auditor for 2014 and the establishment of its remuneration.

The Supervisory Board supports the approval of discharge for the senior management.

László Gyurovszky
Chairman of the Supervisory Board

PROPOSAL
to Item 1 of the Agenda of the 2014 Annual General Meeting
Proposals for closing the business year 2013

Decision on the approval of the annual financial statements prepared in accordance with the requirements of the Hungarian Accounting Law for the business year of 2013 and the related business reports and resolution on the distribution of the profit after tax and the determination of dividends

Under section 244 paragraphs (1), (2), section 231 paragraphs (2) point e), section 35 paragraph (3), section 40 paragraph (1) of the Act IV of 2006 on economic organizations, furthermore points 13. 1. e. point, 24.1. b. and point 26. b. of the Articles of Association, the Board of Directors submits to the General Assembly the following document containing the documents for the business year of 2013:

Annual financial statements prepared in accordance with the requirements of the Hungarian Account Law for the business year of 2013 (that of the parent company and the one consolidated in compliance with the International Financial Reporting Standards (IFRS)) and the related business reports on 2013

1. The documents entitled „the consolidated financial statement of Tisza Chemical Group Public Limited Company and subsidiaries prepared in accordance with International Financial Reporting Standards (IFRS) for the year ending as of December 31, 2013 including the independent auditor’s report” and the related business report.
2. the documents entitled „the company only statutory annual financial statements of Tisza Chemical Group Public Limited Company prepared in accordance with the requirements of the Hungarian Accounting Law for the year ending as of December 31, 2013 including the independent auditor’s report” and the related business report.

Proposed resolution

The Board of Directors propose to the General Meeting to accept the annual financial statements prepared in accordance with the requirements of the Hungarian Account Law, on the business year of 2013 (that of the parent company and the one consolidated in compliance with the International Financial Reporting Standards (IFRS)), and the related business reports, in possession of the Report by the Supervisory Board and the opinion of the independent Auditor as follows:

- a. the consolidated annual financial statements of Tisza Chemical Group Public Limited Company and subsidiaries, prepared in accordance with the International Financial Reporting Standards (IFRS), for the year ending as of December 31, 2013, including the independent auditor’s report and the related business report, with the balance sheet total amounting to HUF 218,169 million and the net profit amounting to HUF 5,661 million;*
- b. the annual financial statements of Tisza Chemical Group Public Limited Company prepared in accordance with the requirements of the Hungarian Accounting Law, for the year ending as of December 31, 2013, including the independent auditor’s report and the related business report, with the balance sheet total amounting to HUF 203,450 million and the after tax profit amounting to HUF 6,201 million.*

The Board of Directors recommends to the General Meeting to pay no dividend in 2014 connected to the year ended 31 December 2013 and the total net income shall be booked as retained earnings.

PROPOSAL

to Item 1 of the Agenda of the 2014 Annual General Meeting
Proposals for closing the business year 2013

Decision on the approval of the corporate governance report

Budapest Stock Exchange published its corporate governance recommendations ("Recommendations") in 2004. In the same year, TVK voluntarily submitted its declaration on the compliance with the Recommendations among first issuers. From 2005 TVK is obliged to submit its declaration on the Recommendations. The Board of Directors approved the declaration in both years. Pursuant to the Company Act from July 2006 the declaration needs to be approved by General Meeting, TVK approved already in 2006 by its Annual General Meeting the declaration to be submitted to the Budapest Stock Exchange.

In 2007, Budapest Stock Exchange issued new Corporate Governance Recommendations ("CGR"). According to the CGR, companies listed on the stock exchange are required to express their views on their corporate governance practices in two ways. In the first part of the statement they have to give account of the corporate governance practices applied by their company in the given business year, including their corporate governance policy, and a description of any unusual circumstances.

In the second part of the statement, in accordance with the "comply or explain" principle, they have to indicate their compliance with those recommendations included in specified sections of the CGR ("R" - recommendation) and whether they apply the different suggestions formulated in the CGR ("S" - suggestion). If the issuer does not apply the recommendation or applies it in a different manner, an explanation of what the discrepancies are and the reasons for the said discrepancies should be provided ("comply or explain" principle). In the case of suggestions, companies shall only indicate whether they apply the given guideline or not; there is no need for a specific explanation. The size of the declaration increased significantly. Until 2007, issuers had to make declaration consisting of 22 questions, from that year 140 questions had to be responded.

In December 2012, BSE modified the Recommendations, however it meant only some changes, mainly actualisation. Compared to the 2007 Recommendations the new one did not enclose conceptual or structural changes of the content. This report was made in accordance to the new, 2012 Recommendations. The Corporate Governance Guidelines of the Budapest Stock Exchange are available on: www.bse.hu

Proposed resolution

The Board of Directors upon the approval of the Supervisory Board agrees to propose the AGM the approval of the Corporate Governance Report, based on the Corporate Governance Recommendations of the Budapest Stock Exchange.

Proposed resolution

The Board of Directors recommends to the General Meeting of the Company, that in the name of the Company approve the Corporate Governance Report issued by the Board of Directors for the business year 2013 with the following content:

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

TVK has always been committed to apply the highest standards of corporate governance structure and practice. The basis of that is using such corporate governance system that meets the national and even the international expectations. TVK submits its declaration on Corporate Government practice in line with the Corporate Governance Recommendations issued by the Budapest Stock Exchange (BSE) each year since 2004. The Board of Directors accepts and does its best to observe the Recommendations in the course of running the Company and its operations.

The corporate governance of TVK Plc. complies with the requirements of the Budapest Stock Exchange, the financial supervisory guidelines of the Central Bank of Hungary and the relevant capital market regulations. Furthermore TVK regularly reviews the principles it applies in order to comply with international best practices in this area of the business as well. The voluntary approval of the declaration on the Budapest Stock Exchange Corporate Governance Recommendations by the Annual General Meeting in 2006, before the official deadline, served as testament to the Company's commitment to corporate governance. A separate section of the TVK website (www.tvk.hu) is devoted to corporate governance and where the company publishes its corporate governance policy, convocations to the general meeting, articles of association, and Code of Ethics.

Board of Directors

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

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

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

The principles, policies and goals take account of the Board's specific and unique relationship with TVK's shareholders, the executive management and the Company. The composition of the Board reflects this with the majority (six of eight members) made up of non-executive, non-independent directors.

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

Name	Position	Date of assignment	Independence status
György Mosonyi	Chairman of the Board	26.04.2002	independent
Ferenc Horváth	Deputy Chairman of the Board	01.05.2011	non-independent
Gyula Gansperger	Board member	20.04.2006	independent
Miklós Kamarás	Board member	01.05.2011	independent
László Madarász	Board member	01.05.2013	independent
Dr. Péter Medgyessy	Board member	20.04.2006	independent
Dr. Zoltán Nagy	Board member	01.05.2011	independent
Zsolt Pethő	Board member	17.04.2012	non-independent

Operation of the Board of Directors

The Board acts and makes resolutions as a collective body.

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

The Board Charter covers:

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

Members of the Board have signed a declaration on conflict of interest and they have reported their position as director in the Board to their employer or principal as regards other key management positions.

The Board of Directors and its Committee reviews continuously its activity on a yearly basis.

Report of the Board of Directors on its 2013 activities

In 2013, the Board of Directors held 4 meetings with an average attendance rate of 100%. Regular agenda items on the meeting are reports by the CEO on the activities pursued since the last Board meeting, an overview of petrochemical market and the current situation of the company.

The Board of Directors respectively paid highlighted attention to the improving internal efficiency, cost-cutting, regular monitoring of internal audit, decreasing external environment effects, production and sales improvement, market grabbing and product development, and capital expenditure projects.

Committees of the Board of Directors

Certain specific tasks are carried out by the Board's Committees. The following rules do apply to the Committees, created by the BoD.:

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

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

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

Currently, the Board allocates responsibilities to the following Committee:

Finance and Audit Committee:

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

Name	Position	Date of assignment
Ferenc Horváth	Chairman	01.05.2011
Miklós Kamarás	Member	01.05.2011
Dr. Zoltán Nagy	Member	01.05.2011

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

Report of the Audit Committee on its 2013 activities

In 2013, the Finance and Audit Committee held 4 meetings with a 92% average attendance rate. The regular agenda items included the audit of all public financial reports, providing assistance with the auditor's work.

Remuneration of the members of the Board of Directors

The remuneration for the board members was approved by the Ordinary Annual General Meeting (AGM) held on April 19, 2007 with the resolution No. 20/2007. (04.19.) as follows.

Those Board members who are not employed by TVK Plc. or any other subsidiaries of MOL Group should receive the time proportionate net payment per year of their mandate effective as of the day of the Annual General Meeting as follows:

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

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

Relationship between the Board and the Executive Management

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

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

Senior management

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

Name	Position	Date of assignment
Zsolt Pethő	Chief Executive Officer	01.06.2011
Adrienn Ráczné Bodnár	Human Resources Manager	03.01.2012
Balázs Sándor	Chief Financial Officer	15.07.2012
Péter Suba	TVK Development Manager	01.01.2013
Zoltán Szántó	Polymer Marketing and Sales Manager	01.02.2013-31.08.2013
Dragan Szimics	Polymer Marketing and Sales Manager	01.09.2013
Tivadar Vályi Nagy	Production director	01.07.2007-28.02.2014
Zsolt Huff	Production director	01.03.2014

Note:

The Polymer Marketing and Sales Manager of TVK Plc. was Zoltán Szántó from February 1, 2013 to August 31, 2013. Since September 1 2013, Dragan Szimics is the Polymer Marketing and Sales Manager. As from March 1, 2014, Zsolt Huff is the Head of Tiszaújváros Production.

Incentive system for the top management

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

Operating a system of compensation and adopting practical solutions in line with the strategy of the company is a guideline for developing the structure of performance evaluation and remuneration in a way that it may be used efficiently for attaining the objectives of the Company whilst giving priority to motivating key employees in the organisation. In case of managers of the company, in all financial year, performance goals, relevant to the business strategy are determined, and these are evaluated by the one level higher manager, in case of the senior management it is done by the CEO.

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

Principles and framework of the Company's long-term incentive scheme for senior employees

According to Section 302 of the Company Act, "it is the exclusive competence of the members' meeting to bring obligatory or non-obligatory decisions about the long-term remuneration and the guidelines or frameworks of the long-term incentive system related to the senior officers, supervisory board members and employees in managerial positions, depending on the provisions of the Articles of Association".

The General Meeting has already decided on the remuneration of senior officers with the GM resolutions of 15/2010. (04.15.).

Regarding its senior employees and management, TVK Plc. operates such an incentive system that encourages in short term the achievement of the annual financial indexes and the personal tasks and serves the interest in increasing the share price in long run, while it also creates long-term and sustainable interest in improving profitability.

The long-term incentive system consists of two parts: the incentive based on share options (option incentive) and the incentive built on profit sharing (or based on added value).

The option incentive is a cash-based wage incentive, calculated annually based on the call option related to the MOL shares, which operates in 5-year (2+3 years) periods starting annually. The term of the option is 5 years. The first year of every option period is the year which the incentive aims at. The waiting period lasts till the end of the second year, during this period there is no chance to redeem the incentive. Incentive can be redeemed only in the last three years.

The incentive built on profit sharing encourages the long-term sustainable increase of profitability based on the “methodology of added value”, thus ensuring that interests of those participating in the incentive system are the same as the interests of the shareholders of the Company. The incentive built on profit sharing is a cash-based wage incentive, calculated annually based on the increase in the added value acknowledged by the extent of the determined base incentive in comparison with the over-cost result of the invested capital.

The extent of the incentive built on profit sharing is determined according to the classification categories belonging to the managerial levels.

Supervisory Board

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

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

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

Name	Position	Date of assignment	Independence status
László Gyurovszky	SB chairman SB member	22.06.2007 19.04.2007	independent
Dr. Gyula Bakacsi	SB member	19.04.2007	independent
Dr. György Bíró	SB member	19.04.2007	independent
László Réti	SB member SB deputy chair	29.04.2010 13.05.2011	non-independent (employee representative)
Turóczy Judit	SB member	21.04.2011	non-independent (employee representative)

In 2013, the Supervisory Board held 4 meetings with an average attendance rate of 95%.

Remuneration of the members of the Supervisory Board

According to the resolution No. 24/2007 (04.19.) of the Annual General Meeting held on April 19, 2007, the Supervisory Board members should receive the net payment per month of their mandate effective as of the day of the Annual General Meeting as follows:

- Board members: 1,000 EUR/month
- Chairman: 1,500 EUR/month

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

Audit Committee

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

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

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

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

Report of the Audit Committee on its 2013 activities

In 2013, the Audit Committee held 3 meetings with a 100% average attendance rate. In addition to the regular items on the agenda - including the audit of all public financial reports and providing assistance with the auditor's work - the Committee also devoted a considerable amount of time to the following topics:

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

External auditors

The auditor is elected by the General Meeting of TVK.

Ernst & Young Könyvvizsgáló Kft. acts as the auditor of TVK since 2003. The Ordinary Annual General Meeting held on April 18, 2013 elected Ernst & Young Könyvvizsgáló Kft. once again as auditor of the Company and an agreement was concluded for auditing the annual reports closing the business year of 2013. The engagement is in force until the conclusion of the Ordinary Annual General Meeting held in 2014 to decide on the approval of the 2013 annual reports.

The audit agreement provides that Ernst & Young Kft. should audit the consolidated and non-consolidated annual reports drawn up under the Accounting Act and the consolidated and non-consolidated annual reports drawn up under International Financial Reporting Standards (IFRS, formerly IAS). The aforementioned financial statements have been audited as required by National Audit Standards, International Standards of Auditing and the provisions of the Accounting Act and any other acts and laws on auditing. The auditors ensure the continuous nature of performing the audit assignment by working on site and by participating at the meetings of key TVK bodies as well as through other forms of consultation.

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

In 2013, Ernst & Young Kft. also delivered other services to TVK Plc. as follows: Supervised the data of TVK's Hungarian subsidiaries supplied to the consolidation.

Fees Paid to Auditors, 2012-2013 (HUF million)

	2012	2013
Fee for the audit of TVK Plc.	35.1	32.0
Other audit related services	4.2	0.0
Validation of NRTA project	0.6	0.0
Total	39.9	32.0

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

Internal audit

TVK's Internal Audit is independent from the operative management, it is directly under the CEO.

Internal auditor of the company is assigned by the CEO. Main duties are as follows:

- Exhibition and analysis the real- and essential economic risk factors.
- Evaluation the status of control mechanisms designed for risk management, development of proposals for risk-reduction and monitoring the accepted proposals.
- Exhibits the risks that endanger the attainment of strategic objectives.
- Evaluates the corporate mechanisms connected to external changes.
- Examines the internal norms.
- Provides data for the annual actualization of risk-plan.

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

Relationship with the shareholders, insider trading

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

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

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

TVK Group is committed to the fair marketing of publicly-traded securities. Insider dealing in securities is regarded as a criminal offence in most of the countries in which we carry out business. Therefore, we require not only full compliance with relevant laws, but also the avoidance of even the appearance of insider securities trading and consultancy.

TVK Group employees:

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

Exercise of shareholders' rights, general meeting participation

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

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

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

The ordinary general meeting, based on the proposal of Board of Directors approved by the Supervisory Board, shall have the authority to determine profit distribution, i.e. the amount of the profit after taxation to be reinvested into the Company and the amount to be paid out as dividends.

The starting date for the payment of dividends shall be defined by the Board of Directors in such way as to ensure a period of at least 10 working days between the first publication date of such announcement and the initial date of dividend distribution. Only those shareholders are entitled to receive dividend, who are registered in the share register of the Company on the basis of shareholders identification executed on the date published by the Board of Directors in the announcement on the dividend payment. Such date relevant to the dividend payment determined by the Board of Directors may deviate from the date of general meeting deciding on the payment of dividend. However, the date of the shareholder identification made in compliance with the regulations of KELER in respect of the dividend payment shall not take place more than five working days after the general meeting passing a resolution on the payment of dividend.

Integrated Risk Management

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

Incorporation of the broadest variety of risks into one long-term, comprehensive and dynamic system is arranged by Enterprise Risk Management (ERM). ERM integrates financial and operational risks along with a wide range of strategic risks, also taking into consideration compliance issues and potential reputation effects. The ERM process identifies the most significant risks to the performance of the company. Risks are assessed based on a unified methodology and collected into risk maps at different levels. Risk responses and controls are reviewed and mitigation actions set and reviewed for completion regularly by top management.

As a result, senior management can get a firmer grip on the risks that influence corporate profits the most and can determine the elements of risk to retain and the ones that require a variety of risk mitigation methods.

The prices of the most important feedstock used by the company and the olefin and polymer products produced by TVK are fixed to the global market prices of the same products. From economic point of view TVK has a net long position in EUR, while it has net short USD and HUF cash flow positions.

The company had no open foreign exchange futures positions as of December 31, 2013.

The company covers most of its trade receivables with credit insurance to mitigate liquidity risk. Also, it carefully examines the credit worthiness of the prospective customers and assesses whether or not the conditions for continuous payment are attainable before signing a new contract.

In order to exploit opportunities of the portfolio effects, TVK's financial risk exposures (e.g. commodity, FX rates, interests rates) are managed on MOL Group level.

Enclosure: Corporate Governance Declaration on Compliance with the Corporate Governance Recommendations

Corporate Governance Declaration
on Compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, by completing the following tables, the Board of Directors of Tisza Chemical Group Public Limited Company (the „Company“) declares to what extent it applied in its own practice of corporate governance the recommendations and suggestions formulated in the different points of the Corporate Governance Recommendations published by the Budapest Stock Exchange Ltd.

By reviewing the tables, market participants may receive information on the extent to which the corporate governance practice of different companies meets certain requirements included in the CGR, and may easily compare the practices of the different companies.

Level of compliance with the Recommendations

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

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

The proposals included the explanation of the effects of the decision. Though the Supervisory Board analyses all proposals, which fall within the exclusive scope of authority of the Company's General Meeting, it submits written report only on the annual financial statements of Board of Directors and the related business report and the proposal distribution of the profit after taxation.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

R 2.5.6 The company disclosed on its website the guidelines on the independence of the Board of Directors / Supervisory Board, as well as the criteria applied for assessing independence.

Yes (Complies)

No (Please explain)

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

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

The supervisory board (audit committee) deals with the tasks, defined in its rules of procedures. Transactions which fell outside the normal course of the company's business, and their terms and conditions were approved as according to the conditions defined in the MOL Group's Matrix of Decision Making Competencies (MDMC) .

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

Yes (Complies)

No (Please explain)

According to the charter of the boards, it is not necessary, that a member informs the Board of Directors, if he/she receives an offer of Board membership or an offer of an executive management position in a company which is not part of the company group, regarding to that, it is obligatory in accordance with the Clause 24§ (3) of Act on Business Association. Members of

the boards made declaration if they received an offer of Board membership or an offer of an executive management position in a company which is not part of the company group. Following this date, they are obliged to notify the company if there is a change in their status. The company discloses in every year the actual professional backgrounds of members on company homepage and annual report, which includes the executive management positions in other companies.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

Remuneration guidelines were accepted by the General Meeting based on the BoD proposal: The remunerations of the Board of Directors and Supervisory Board were approved by the resolutions of 20/2007 and 24/2007 on the Annual General Meeting in 2007. The General Meeting has already decided on the long term incentive scheme of senior employees with the GM resolutions of 15/2010. (04.15.).

The Supervisory Board formed an opinion on the remuneration guidelines.

Yes (Complies)

No (Please explain)

The Supervisory Board did not issue a written opinion, but reviewed the documents on the remuneration guidelines earlier.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

R 2.7.2.1 The Supervisory Board prepared an evaluation of the work it carried out in the given business year.

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

Operation is governed by group level risk management regulations that define corporate risk management guidelines and responsibility matrix on group level. The Board of Directors receives continuous information about risk management issues.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

Internal Audit schedule was submitted to the Board of Directors and Supervisory Board as information. Both boards have opportunity to suggest new auditing aspects to the Internal Audit.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

R 3.1.6.1 On its website, the company disclosed duties delegated to the Nomination Committee, as well as the committees targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company. According to legal regulations it is not mandatory to operate Nomination Committee.

R 3.1.6.2 On its website, the company disclosed duties delegated to the Remuneration Committee, as well as the committees targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company. According to legal regulations it is not mandatory to operate Remuneration Committee.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company. According to legal regulations it is not mandatory to operate Nomination Committee.

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

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

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

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

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

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

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

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

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

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company. The Board of Directors is responsible for monitoring CEO's performance and the determination of the remuneration of the CEO. CEO is responsible for monitoring the performance and the determination of the remuneration of the II, level managers of the management.

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

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company. The Board of Directors is responsible for monitoring CEO's performance and the determination of the remuneration of the CEO. CEO is responsible for monitoring the performance and the determination of the remuneration of the II, level managers of the management.

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

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company. The Board of Directors is responsible for monitoring CEO's performance and the determination of the remuneration of the CEO. CEO is responsible for monitoring the performance and the determination of the remuneration of the II, level managers of the management.

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

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

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

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.4.4.1 The Remuneration Committee made proposals regarding the remuneration of individual persons.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.4.4.2 The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

R 3.4.4.3 The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

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

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

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

Yes (Complies)

No (Please explain)

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

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

Yes (Complies)

No (Please explain)

The duties of the Remuneration and Nomination Committees regarding the remuneration of the CEO are carried out by the Board of Directors, while these duties in case of II. Level managers are carried out by the CEO, in accordance with the regulation of the company's Articles of Association and the Charter of the Board of Directors.

R 3.5.2.1 The Managing Body carried out the duties of the Remuneration Committee and disclosed its reasons for doing so.

Yes (Complies)

No (Please explain)

The duties of the Remuneration and Nomination Committees regarding the remuneration of the CEO are carried out by the Board of Directors, while these duties in case of II. Level managers is carried out by the CEO; in accordance with the regulation of the company's Articles of Association and the Charter of the Board of Directors.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

R 4.1.10.1 The company provided information on the criteria considered when evaluating the work of the Managing Body, the executive management and the individual members thereof.

Yes (Complies)

No (Please explain)

The Company considered legal regulations.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

Level of compliance with the Suggestions

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

S 1.1.3 The company has an investor relations department.

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

S 1.3.12 The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions were published by the company within 30 days of the general meeting.

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

In case of Board of Directors the answer is yes. While in accordance with the rules of Charter of Supervisory Board, all proposals was sent to Supervisory Board members three days before the meeting. The Company acts in accordance with the charters of the bodies.

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

S 2.5.5 The company's Supervisory Board has no member who held a position in the Managing Body or the executive management of the company in the three years prior to his nomination.

Yes

No

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

Yes

No

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

Yes

No

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

Yes

No

See note 2.1.8.

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

Yes

No

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

Yes

No

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

Yes

No

S 2.9.1.1 The rules of procedure of the Supervisory Board cover the procedure to be followed when employing an external advisor.

Yes

No

S 2.9.1.2 The rules of procedure of the Audit Committee cover the procedure to be followed when employing an external advisor.

Yes

No

S 2.9.1.3 The rules of procedure of the Nomination Committee cover the procedure to be followed when employing an external advisor.

Yes

No

S 2.9.1.4 The rules of procedure of the Remuneration Committee cover the procedure to be followed when employing an external advisor.

Yes

No

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

Yes

No

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

Yes

No

S 3.1.2 The chairmen of the Audit Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

Yes No

S 3.1.2.1 The chairmen of the Nomination Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

Yes No

S 3.1.2.2 The chairmen of the Remuneration Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

There is no Nomination Committee operating at the company.

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

Yes No

There is no Nomination Committee operating at the company.

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

Yes No

There is no Nomination Committee operating at the company.

S 3.4.5 The Remuneration Committee prepared the Remuneration Statement.

Yes No

There is no Remuneration Committee operating at the company.

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

Yes No

There is no Remuneration Committee operating at the company.

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Date: March 21, 2014

György Mosonyi

Chairman of the Board of TVK Plc.

Ferenc Horváth

Deputy Chair of the Board of TVK Plc.

PROPOSAL

to Item 2 of the Agenda of the 2014 Annual General Meeting

Appointment of the auditor, determination of its remuneration for the year 2014 and the contents of the essential elements of the contract to be concluded with the auditor

The Annual General Meeting in 2013 with its resolution 8/2013 (04.18.) elected Ernst & Young Könyvvizsgáló Kft. to the part of Auditor of the Company for the business year of 2013 until the time of the Annual General Meeting of 2014 that is until April 30, 2014 at the latest.

The Audit Committee of the Company, after evaluating Ernst & Young Kft. in respect of its 2013 performance and its binding offer for the 2014 audit tasks, proposes further cooperation with Ernst & Young Kft. in 2014.

The significant elements of the contract to be concluded with Ernst & Young Könyvvizsgáló Kft. for the business year 2014 are the followings:

Scope:	Auditing of TVK Plc. in terms of business year 2014, performing the auditing activities, with special regards to auditing the annual report pursuant to the Act C of 2000 on accounting referring to year 2014, and its prevailing decrees ("Accountancy Law"), and the auditing of the consolidated annual report of the TVK Group for the business year 2014 compiled pursuant to the International Financial Reporting Standards (IFRS).
Fees:	HUF 32,000,000 + VAT
Invoicing and payments:	In 12 equal instalments, auditor is entitled to issue the invoice until the 5th day of the following month after the current month, and these invoices shall be settled by TVK Plc. 30 days within the receipt.
Personally proceeding auditor:	István Havas registered auditor (registration number: MKVK-003395) is personally responsible for the accomplishment of the audits.
Effective:	From 15th April 2014 until the day of the ordinary general meeting closing the business year 2014.

Resolution proposal

The Audit Committee proposes to the General Meeting to elect Ernst & Young Könyvvizsgáló Kft. (registered office: H-1132 Budapest, Váci út 20., Hungary, commercial registration number: Cg. 01-09-267553) to the part of Auditor of the Company for the business year of 2014 until the time of the Annual General Assembly of 2015, until April 30, 2015 at the latest.

The appointed auditor of Ernst & Young Könyvvizsgáló Kft. having personal responsibility for the audit is István Havas (mother's maiden name: Dr. Faragó Anna; address: H-1021 Budapest, Széher utca 10. Hungary; auditor's registration number: MKVK-003395).

The Audit Committee proposes to the General Meeting to approve the mentioned contents of the essential elements of the contract to be concluded between TVK Plc. and Ernst & Young Könyvvizsgáló Kft. for the business year 2014.

The Audit Committee proposes to the General Meeting to determine the Auditor's fee in HUF 32,000,000 + VAT and to authorize the Board of Directors to conclude the contract with the mentioned elements with the appointed auditor, Ernst & Young Könyvvizsgáló Kft.

PROPOSAL

to Item 3 of the Agenda of the 2014 Annual General Meeting

Decision on the waiver to be granted to the executive officers according to Section 30 (5) of the Companies Act (Act IV. of 2006)

Article 13.2 of the Articles of Association sets forth that the annual general meeting shall put on its agenda each year the evaluation of the work of the Board of Directors performed in the previous business year and pass a resolution on the waiver (discharge) that may be granted to the Board of Directors. The AGM, with granting the waiver in compliance with Section 30 (5) of the Companies Act, confirm that the Board of Directors worked as focusing on the aims and for the sake of the Company, during the period under review.

Based on the above, we propose that the general meeting approve the work of the Board of Directors performed in the 2013 business year and provide waiver for the Board of Directors under Section 30 (5) of the Companies Act.

Proposed resolutions:

The Board of Directors proposes that the general Meeting – under Article 13.2 of the Articles of Association – approve the work of Board of Directors performed in the 2013 business year and grant waiver to the Board of Directors under Section 30 (5) of the Companies Act.

PROPOSAL

to Item 4 of the Agenda of the 2014 Annual General Meeting

**Election, recall and determination of the remuneration of the members
of the Board of Directors**

Until the publication of the AGM documents the Board of Directors has no proposal to the Agenda Item 4.

PROPOSAL

to Item 5 of the Agenda of the 2014 Annual General Meeting

Election, recall and determination of the remuneration of the members of the Supervisory Board and the Audit Committee.

Until the publication of the AGM documents the Board of Directors has no proposal to the Agenda Item 5.

PROPOSAL

to Item 6 of the Agenda of the 2014 Annual General Meeting

Authorisation of the Board of Directors to acquire treasury shares

According to the relevant law, the Company may acquire treasury shares – own shares issued by the Company – up to a certain extent of the share capital. The acquisition of the treasury shares can take place if the conditions of the dividend payment exist.

Own shares may be acquired by means of a contract for pecuniary interest upon the general meeting authorizing the Board of Directors in advance to acquire them. Authorization may be granted for a period of eighteen months.

The Board of Directors shall present at the next general meeting the reasons for which the own shares had to be acquired, the quantity and aggregate nominal value of the shares, the percentage they represent in the company's share capital, and also the price paid for the shares.

Taking the opportunity granted by the law, it is recommended to authorize the Board of Directors to acquire treasury shares, regarding that

- to be able to use treasury shares as acquisition consideration, or
- to be able to exercise certain contractual rights (eg. call options) including but not limited to exercising rights ensured by financial instruments for acquiring treasury shares (eg.: conversion right, exchange right) and perform certain obligations or
- to maintain flexibility for further share capital structure optimization, share cancellation and/or other investments or
- to be able to operate share-based incentive schemes or
- to be able to implement or amend share-based or hybrid financing instruments and other investment structures.

Regarding the above mentioned, the Board of Directors propose to approve the following resolution:

Proposed resolution:

The Board of Directors proposes the Annual General Meeting to authorize the Board of Directors of the Company to acquire treasury shares pursuant to the following terms and conditions:

Mode of acquisition of treasury shares can be with or without consideration, either on the stock exchange or through public offer or on the OTC market if not prohibited by legal regulations.

The authorization empowers the Board of Directors to acquire any shares of the Company with any par value.

The amount (number) of shares that can be acquired: the total amount of nominal value of treasury shares owned by the Company at any time may not exceed 25% of the actual share capital of the Company.

If the acquisition of the treasury shares is in return for a consideration, the minimum amount which can be paid for one piece of share is HUF 1, while the maximum amount can not exceed 150% of the highest of the following prices:

- a.) the highest price of the deals concluded with the shares on the Budapest Stock Exchange ("BÉT") on the date of the transaction or
- b.) the daily volume weighted average price of the shares on any of the 90 BÉT trading days prior to the date of the transaction or
- c.) the volume-weighted average price of the shares during 90 BÉT trading days prior to
 - (i) the date of signing the agreement for acquiring the treasury shares (particularly purchase agreement, call option agreement or other collateral agreement), or
 - (ii) the date of acquisition of financial instruments ensuring rights to acquire treasury shares or
 - (iii) the date of exercising option rights, pre-emption rights; rights ensured by collateral or by financial instruments for acquiring treasury shares or
- d.) the closing price of the shares on the BÉT on the trading day which falls immediately prior to
 - (i) the date of signing the agreement for acquiring the treasury shares (particularly purchase agreement, call option agreement or other collateral agreement), or
 - (ii) the date of acquisition of financial instruments ensuring rights to acquire treasury shares or
 - (iii) the date of exercising option rights, preemption rights; rights ensured by collateral or by financial instruments for acquiring treasury shares.

The period of validity of the authorization: from the date of the resolution made on the Annual General Meeting for an 18 months period.

PROPOSAL

to Item 7 of the Agenda of the 2014 Annual General Meeting:

Decision on the application of the new Civil Code (Act V of 2013 on the Civil Code) for the Company

After a long codification period, a new, up-to-date and comprehensive Code of Civil Law come into force as of March 15, 2014, that will replace the former relevant Act IV of 1959 on the Civil Code of Hungary and the Company's Act in conformity with the European Union legal regulations.

Act CLXXVII of 2013 on the temporary and constituent regulations connected to the commencing Act V of 2013 on Civil Code requires that supreme body of the company, registered at the effective date of the new Civil Code is obliged to decide parallel with the first amendment of its statute on the application of the new, modified regulations of the Civil Code, and the resolution of the supreme body should be submitted to the Court of Registration.

Regarding the above mentioned, the Board of Directors propose to approve the following resolution:

Proposed resolution:

The Board of Directors proposes to accept the following resolution:

Meeting the rules set in Clause 12 (1) of Act CLXXVII of 2013 on the temporary and constituent regulations connected to the commencing Act V of 2013 on Civil Code, the 2014 Annual General Meeting of Tisza Chemical Group Public Limited Company decides on the application of the new and modified regulations of the Civil Code, it agrees and supports that the future operation of the Company will meet the legal rules in force.

PROPOSAL

to Item 8 of the Agenda of the 2014 Annual General Meeting

Amendment of the Articles of Association

After a long codification period, a new, up-to-date and comprehensive Civil Law Codex come into force as from March 15, 2014, that is in conformity with the European Union legal regulations, and this new law will replace the former relevant Act No. IV/1959.

The new Act V/2013 on Civil Law – opposite to the system of the formerly valid Civil Law – contains the regulations relevant to the legal persons, therefore the formerly single law, the Act IV/2006 on Business Associations abated. This change indicates to some formal amendments the Articles of Associations in one hand, and it is necessary to make more meritorious modifications due to the new corporate regulations in the other hand to meet with the legal regulations.

In the preparatory work to meet the new Civil Law rules, we attempted to create a simple and clear Articles of Association.

The necessary amendments are as follows:

I. Formal amendments in the texts of the Articles of Association

I/1. Amend „Gt. or Company Act” to „Civil Law and the relevant legal rules”

Explanation: The Articles of Association refer to the governing law as “Company Act” several times which is recommended to modify “Civil Law and the relevant rules” taking into consideration the fact that the main regulations governing the operation of the companies was integrated into the Civil Code of Hungary and the other less significant rules was get into other relevant rules.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend the Section 7.3; 8.9; 13.1 (a), (f), (j), (k) and Section 26 (c) of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

- 7.3. The ordinary shares shall be generated as dematerialized securities in harmony with the relevant legal rules. The data stipulated by the ~~Company Act~~ **Civil Law** and by the relevant rules of law shall be indicated on the document issued of the dematerialized shares (not qualifying as security).
- 8.9. The precondition of participation and voting at the general meeting for shareholders is that the shareholder or the proxy shall be registered in the share register. The provisions of the ~~Company Act~~ **Civil Law and the relevant legal rules** as in effect from time to time shall be applicable to the time of the registration in the share register prior to the general meeting as well as to any other connected deadlines; and the closing of the share register as well as the registration in the share register shall take place at the time required by the ~~Company Act~~ **Civil Law and the relevant legal rules** as in effect from time to time. (...)

- 13.1. The General Meeting is the principal body of the Company, which comprises of all the shareholders. The following falls within the exclusive authority of the General Meeting:
- a) make decisions on the establishment, amendment and modification of the Articles of Association, unless the ~~Company Act~~ **Civil Law and the relevant legal rules** provides otherwise;
 - f) decide whether to distribute interim dividends, **unless the Civil Law and the relevant legal rules provides otherwise;**
 - j) make decisions on the issue of convertible bonds or bonds carrying voting rights, unless the ~~Company Act~~ **Civil Law and the relevant legal rules** provides otherwise;
 - k) deciding - given that the ~~Co.~~ **Civil Law and the relevant legal rules** does not provide otherwise - on the acquisition of own shares, further on the acceptance of a public purchase offer given for own shares;
26. Duties of the Auditor
- (c) other duties as stipulated by the ~~Companies Act~~ **Civil Law and the relevant legal rules.**

1/2. Amend „auditor” to „statutory auditor”

Explanation: The new Civil Code calls the individual auditor or an audit firm shown in the register of auditors who is responsible for carrying out the audits of accounting documents according to the relevant regulations as “statutory auditor” instead of “auditor” of the former Company Act.

Proposed resolution:

The Board of Directors proposes to the General Meeting to use the „statutory” adjective in the title of Section 25. an in the sections 25. and 26. of the Articles of Association as follows (new text in bold):

THE STATUTORY AUDITOR

25. The Company shall have one **Statutory** Auditor elected for the time period starting from the date of the general meeting when the **Statutory** Auditor is elected and ending on the date of the general meeting when the statutory financial report of the business year is approved. If the **Statutory** Auditor is a business association, it shall nominate its member, executive official or employee personally responsible for the auditing of books.

26. Duties of the **Statutory** Auditor

(a) supervision of company records;

(b) the **statutory** auditor shall audit the annual reports prepared in accordance with the Accounting Act to establish the authenticity and legality thereof. Furthermore, the **statutory** auditor shall audit any significant business report submitted to the general meeting whether such reports contain true and correct data, and comply with the applicable laws and regulation. The **statutory** auditor shall submit a written report to the General Meeting thereon;

I/3. Amend „Court of the Borsod-Abaúj-Zemplén County” to „Tribunal of Miskolc”

Explanation: The Act CLXXXIV. of 2010 on the name, seat and territorial jurisdiction of the Courts modified the name of the county court, so, it is recommended to alter the former “County Court of Borsod-Abaúj-Zemplén” for Tribunal of Miskolc in the Articles of Association.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 37. of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

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

I/4. Deleting duplicated rules in the Section 22.4

Explanation: Taking into consideration the fact that the Section 22.4 of the Articles of Association repeats Section 22.1 (p) on the power and duties of the Board of Directors with the same content, we suggest deleting Section 22.4.

Proposed resolution:

The Board of Directors proposes to the General Meeting to delete the Section 22.4 of the Articles of Association:

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

I/5. Deleting duplicated rules in the Section 24.1

Explanation: In order to clarify the authority of the Supervisory Board it is recommended to rearrange the contents of the Section 24.1 (a) and (f) in the Articles of Association.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 24.1 (a) and (f) of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

24.1. The authority of the Supervisory Board:

a) controls the management of the Company for the General Meeting, ~~may request information from the leading officials and employees in leading positions of the Company, may supervise the books and documents of the Company;~~

f) the Supervisory Board may **supervise the books and documents of the Company**, may request information from the members of the Board of Directors and from the senior managers. In case of a written request, the addressee shall provide the requested information in written form within 8 (eight) working days.

II. Meritorious modifications in the text of the Articles of Association

II/1. Copies if the Share Register for free of charge

Explanation: Section 3:247 (2) of the new codex determines that the keeper of the Share Register shall supply a copy of the shareholders' data from the Share Register for free of charge to the shareholder.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend the last sentence of the Section 8.1 of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

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

II/2. The obligation for notice of the operator of the securities account terminated

Explanation: The new Civil Code doesn't mention the obligation of the keeper of the security account regarding the information of the Company on the transfer of the registered share, so, it is recommended to delete the quotation of the Articles of Association from the former Company's Act.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 8.3 of the Articles of Association as follows (wording proposed to delete crossed):

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

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

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

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

II/3. Closing of the Share register before the Annual General Meeting

Explanation: The new Civil Code – in harmony with the former governing law – states that the names of shareholders and proxies wishing to participate in the general meeting of the private limited company shall be entered into the register of shareholders at least two working days before the beginning of the general meeting.

We recommend deleting the invalid provisions of the Articles of Association.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 8.9 of the Articles of Association as follows (wording proposed to delete crossed):

8.9. The precondition of participation and voting at the general meeting for shareholders is that the shareholder or the proxy shall be registered in the share register.

The provisions of the Civil Law and by the relevant rules as in effect from time to time shall be applicable to the time of the registration in the share register prior to the general meeting as well as to any other connected deadlines; and the closing of the share register as well as the registration in the share register shall take place at the time required by the Civil Law and by the relevant rules as in effect from time to time. ~~In case the provisions of the Company Act as in effect from time to time either do not define a certain time with respect to the closing of the share register prior to the general meeting and the registration in the share register, or allow deviation from the provisions of the Company Act, then the closing of the share register as well as the registration in the share register shall take place at least seven (7) business days prior to the starting date of the general meeting.~~

At the shareholder's identification related to the closing of the share register prior to the general meeting, the keeper of the share register shall delete all data contained in the share register at the time of the shareholder identification, and shall simultaneously register the data obtained upon the shareholder identification into the share register and close the share register with the data obtained upon the shareholder identification. After this closing, any registration into the share register pertaining to the ownership of shareholders may not take place until the first business day following the closing of the general meeting.

II/4. Authorisation of the Board of Directors to acquire treasury shares

Explanation: The new Civil Code states precisely the case when the Board of Directors may decide on the purchase of its own shares without the expressed resolution of the General Meeting.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 9.4. of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

9.4. In order to avoid the threat of severe **direct** damages to the Company, the Board shall be authorised to decide - with the full observation of legal restrictions - on the purchase of its own shares. Whether or not the Company is threatened by severe damages, shall be established by the Board after due consideration of all circumstances of such case, and based on the unanimous resolution of its members in office. The Board is obliged to represent its report of such event at

the next General Meeting. In all other cases - except for legal transactions aiming to withdraw employee shares - the purchase of own shares falls under the authority of the General Meeting requiring simple majority.

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

II/5. Specify the issues that fall within the exclusive competence of the General Meeting

Explanation: Based on the new Civil Code it is recommended to actualize the text of the exclusive authority of the General Meeting. The modifications affect the Section 13.1 (c) and (n).

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 13.1. (c) and (n) of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

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

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

c) deciding on the transformation, **merger, division, reducing share capital** and termination without legal successor of the Company;

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

II/6. Persons eligible to convene the Extraordinary General Meeting

Explanation: It is recommended to supplement the circle that can convene the extraordinary general meeting with the "determined minority of shareholders".

Proposed resolution:

The Board of Directors proposes to the General Meeting to complete Section 15 of the Articles of Association as follows (new text in bold):

15. Extraordinary General Meeting

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

II/7. Representation of the shareholder

Explanation: In accordance with the Article 3:255. (1) of the new codex, it is suggested to regulate a rules of the Articles of Association regarding the representation of the shareholder.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 16.2 of the Articles of Association as follows (new text in bold, wording proposed to delete crossed):

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

The invitation and the announcement shall state that the shareholders may exercise their rights at the general meeting through an appointed representative. Unless otherwise provided for by law, the members of the Board of Directors and of the Supervisory Board, **and the auditor** ~~the company secretary, the executives of the Company,~~ may not be authorized to represent a shareholder at the general meeting ~~except for the cases when such persons acting under proxy possess clear and specific written voting instructions in respect of each proposal for resolution given to them by the shareholders issuing the Letters of Proxy.~~ The power of attorney has to be provided to the Company in the form of a public or a private document with full probative force or proxy card sent by the Company.

II/8. Mandatory publication of information before the general meeting

Explanation: The Section 3:258.§ (1) of the new Civil Code tightens the information must be published in the frame of the ordinary shareholders guidance before the general meeting.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 16.4 of the Articles of Association as follows (wording proposed to delete crossed):

16.4. The Board shall, according to rules on announcements, publish the draft of substantial data of the financial statements prepared in accordance with accounting standards and of the reports the Board of Directors and the Supervisory Board, ~~summaries regarding the number of shares and voting rights at the date of convocation (included the separate summaries regarding the class of shares)~~ and the summary of the items on the agenda and the proposed resolutions at least twenty one (21) days prior to the General Meeting.

II/9. Reconvened General Meeting

Explanation: The section 3:275.§ (1) of the new Civil Code determines the mandatory length of time between the date of the originally planned general meeting and the repeated one, so we have to harmonize the affected point of the Articles of Association with the new regulation.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 17.2 of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

17.2. If the general meeting does not have a quorum, the repeated general meeting shall be reconvened **for a date following the original time by not less than ten days and not more than twenty-one days.** ~~for the same day as the general meeting having no quorum, however, the period between the two general meetings cannot be longer than 21 days.~~

Such second General Meeting shall have a quorum to discuss the same agenda regardless of the number of voting shares represented.

II/10. Amendment of the power of the Board of Directors

Explanation: With reference to the fact that the Company haven't determined its publication gazette it is proposed to delete the references this gazette.

The new Civil Code gives the chance to the Company to authorize its Board to decide on the approval of the interim balance sheet in specific cases. We recommend building this opportunity in the Articles of Association.

Proposed resolution:

The Board of Directors proposes to the General Meeting to amend Section 22.1 (j) and to complete Section 22.1 with a new (r) item of the Articles of Association as follows (wording proposed to delete crossed, new text in bold):

22.1. The Board shall have the following powers and duties

(j) as a non-transferable scope of activity shall be entitled and – in a scope and manner defined in the Tpt. – obliged to receive the purchase offers concerning all the shares of the Company on behalf of the shareholders, to give an opinion about the offer and to make suggestions for the shareholders whether the offer is considered to be reasonable and acceptable and within the best interests of the Company. The Board is obliged to disclose its opinion, **the business report and operating plan of the bidder** in the ~~publication gazette~~ **places determined in Section 36 of the Articles of Association** of the Company ~~or in the place where the report of the bidder regarding its business activities and the operation plan may be inspected;~~

(r) **shall be entitled to approve the interim balance sheet in connection with the exercise of rights attaching to redeemable shares, with the acquisition of own shares, the payment of interim dividends, and with the increase of the share capital financed from assets not comprising a part of the share capital.**

II/11. Dividend due to be paid in form of shares

Explanation: The Section 34 of Articles of Association states that the shareholders are entitled to request from the Board that dividends due to them be paid in form of shares instead of cash. Taking into consideration of the fact that the Company practically doesn't able to fulfil this request it is recommended to delete this section.

Proposed resolution:

The Board of Directors proposes to the General Meeting to delete the last item of Section 34 of the Articles of Association:

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

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