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## **E-Star Alternative Plc.**

(1122 Budapest, Székács utca 29. Cg.: 01-10-045428, "Company"),

based on Act IV of 2006 on Business Associations, and for the purpose of informing its shareholders, hereby publishes the

### **DRAFT RESOLUTIONS**

of the next ordinary Shareholders' Meeting and the

### **AGGREGATE NUMBER OF SHARES AND VOTING RIGHTS**

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#### **Agenda items**

1. Decision on the report of the Board of Directors regarding the Company's activities in the 2010 business year, its management, and the Company's net-worth position and business policy.
  2. Decision on the acceptance of the Board of Directors' report on corporate governance to be submitted to the Budapest Stock Exchange.
  3. Decision on the acceptance of the financial statements prepared in accordance with the Hungarian accounting act, the consolidated annual financial statements prepared in accordance with IFRS and the use of the after-tax profit.
  4. Decision on the approval of the listing of shares on the Warsaw Stock Exchange.
  5. Decision on the amendment of the company's founding deed.
    - 5.1. Decision on the supplementation of section V of the Articles of Association
    - 5.2. Decision on the amendment of section VII of the Articles of Association
    - 5.3. Decision on the amendment of section VIII/4 of the Articles of Association
    - 5.4. Decision on the deletion of section IX/4 of the Articles of Association
    - 5.5. Decision on the acceptance of the Articles of Association comprised in a consolidated structure together the amendments
  6. The authorisation of the Board of Directors to raise the capital publicly and/or privately
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## **I. DRAFT RESOLUTIONS**

### **With respect to agenda item 1:**

**Decision regarding the report of the Board of Directors on the Company's operations in the 2010 business year, its management, net-worth position and business policy**

#### **Draft resolution 1:**

The Board of Directors asks the Shareholders' Meeting to accept the report of the Board of Directors on the Company's operations in the 2010 business year – its management, and the company's net-worth position and business policy.

*(The company will publish the report of the Board of Directors together with the draft resolution for the purpose of providing information to the Investors.)*

### **With respect to agenda item 2:**

**Decision on the acceptance of the corporate governance report that is to be submitted by the Board of Directors to the Budapest Stock Exchange**

#### **Draft resolution 2:**

The Board of Directors asks the Shareholders' Meeting to accept the corporate governance report that is to be submitted to the Budapest Stock Exchange.

*(The company will publish the report of the Board of Directors together with the draft resolution for the purpose of providing information to the Investors.)*

### **With respect to agenda item 3:**

**Decision on the financial statements prepared in accordance with the Hungarian accounting act, the consolidated annual financial statements prepared in accordance with IFRS and the utilisation of the after-tax profit.**

#### **Draft resolution 3:**

The Board of Directors asks the Shareholders' Meeting to accept the Company's:

1. Financial statements for the year 2010 prepared in accordance with the Hungarian Act on Accounting,  
(Total assets and liabilities: HUF 9 919 596 thousand; profit after tax: HUF 946 577 thousand)

2. Consolidated annual financial statements prepared in accordance with IFRS.  
(Total assets and liabilities: HUF 17 473 698 thousand; profit after tax: HUF 1 437 696 thousand)

*(The company will publish the statements together with the draft resolution for the purpose of providing information to the Investors.)*

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Draft resolution 4:

The Board of Directors asks the Shareholders' Meeting not to have the company pay dividends to its members from the after-tax profit.

**With respect to agenda item 4:**

**Decision on the approval to list the company's shares on the Warsaw Stock Exchange**

Draft resolution 5:

The Board of Directors asks the Shareholders' Meeting to consent to the listing of the Company's shares on the Warsaw Stock Exchange.

**With respect to agenda item 5:**

**Decision on the amendment of the company's founding deed**

**5.1. Decision on the supplementation of section V of the Articles of Association**

Draft resolution 6:

The Board of Directors asks the Shareholders' Meeting to supplement section V of the Articles of Association (V. The Company's share capital) with the following:

- 4. If the share capital is raised by means of a cash contribution, a priority right with respect to the acceptance of the shares will be due to the shareholders of the Company, and of these, first to shareholders who hold shares that belong to the same series as the shares being issued, and then to the holders of convertible bonds together with the holders of bonds assuring subscription rights – in this order.*
  - 5. The Board of Directors must notify the shareholders, in the manner specified in section XIV of the Articles of Association, as well as the holders of convertible bonds and the holders of bonds with subscription rights, of the opportunity to exercise their priority right as well as of the conditions and manner of doing so.*
  - 6. The beneficiaries may exercise their priority right in the manner and by the deadline specified in the announcement, by issuing a statement.*
  - 7. Those shareholder may exercise their priority rights that are the company's shareholders based on the share-ownership verification report issued by KELER Zrt. by the priority date specified by the Board of Directors or the Shareholders' Meeting.*
  - 8. The Shareholders' Meeting – based on the written proposal of the Board of Directors – may limit or exclude the priority subscription right or may authorise the Board of Directors in its resolution authorising the capital increase to limit or exclude the exercising of the priority subscription right. In this case the Board of Directors must demonstrate in the proposal the reasons for proposing to limit or exclude the exercising of the priority subscription right.*
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9. *In case of capital increase by way of issuing new shares, subscription right to the shares may be granted to a person - designated by the General Meeting or by the authorization of the General Meeting the Board of Directors, - has not made a preliminary statement of commitment for subscribing for the shares and for providing the appropriate consideration. In this case, the preliminary statement for providing the appropriate consideration for the shares can be made by the potential shareholders after the designation.*

## **5.2. Decision on the amendment of section VII of the Articles of Association**

### Draft resolution 7:

The Board of Directors asks the Shareholders' Meeting to add the following provision to section VII of the Articles of Association (VII. Rights and obligations associated with the shares):

5. *Upon the request of the Board of Directors, shareholders that are registered in the share register (custodian, shareholder's proxy, and in the case of jointly owned shares, the common representative) must immediately specify the extent of the control they have in the company as beneficial owners. If the shareholders do not comply with this request by the specified deadline, their voting right will be suspended until such time as they satisfy their obligation to provide information.*

## **5.3. Decision on the amendment of section VIII/4 of the Articles of Association**

### Draft resolution 8:

The Board of Directors asks the Shareholders' Meeting to amend sub-sections 4.1, 4.2 and 4.3 of Section VIII/4 of the Articles of Association (4. Exercising of shareholders' rights, representation) as follows:

4.1. *Those shareholders may exercise their right to participate in the Shareholders' Meeting, as well as the other rights associated with the share, who are registered in the share register by 5 p.m. on the second (2<sup>nd</sup>) working day before the starting day of the Shareholders' Meeting (Closure of the Share Register) if by this date the company has received the **original** copy of the ownership certificate issued by the securities account manager. **In addition to the above, the ownership certificate will also be considered to have been duly handed over to the company if the shareholder forwarded it by fax or in any other certifiable manner by the Closure of the Share Register and also hands over the original copy no later than by the start of the Shareholders' Meeting.** In the absence of the above, the shareholder cannot participate in the Shareholders' Meeting and cannot exercise the voting and other rights. **With respect to the handover to the Company of the ownership certificate, the burden of proof rests with the shareholder.***

4.2. *The securities account manager must issue an ownership certificate for the share upon the shareholder's request. The ownership certificate must include the name of the company limited by shares, the type of shares, the number of shares, the company name and official signature of the securities account manager, and the name (company name) and residence (registered office) of the shareholder. The ownership certificate is valid until the day of the Shareholders' Meeting or of the reconvened Shareholders' Meeting. **The ownership***

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*certificate must contain the actual number of shares that are held by the shareholder after the stock exchange closes.*

*4.3. The effective date of the ownership certificate may not be earlier than the **fifth (5<sup>th</sup>) working day** before the Shareholders' Meeting. **In accordance with the above, the shareholder may exercise his/her right to participate in the Shareholders' Meeting as well as all other rights associated with the share in possession of an ownership certificate pertaining to the 3<sup>rd</sup>, 4<sup>th</sup> or 5<sup>th</sup> day before the Shareholders' Meeting.***

#### **5.4. Decision on the deletion of section IX/4 of the Articles of Association**

##### 9. Draft resolution:

The Board of Directors asks the Shareholders' Meeting to delete section IX/4 of the Articles of Association. This modification has no impact on the legal relationship of the elected members of the Board of Directors.

#### **5.5. Decision on the acceptance of the Articles of Association comprised in a consolidated structure together with the amendments**

##### Draft resolution 10:

The Board of Directors asks the Shareholders' Meeting to accept the Company's Articles of Association comprised in a consolidated structure together with the amendments.

#### **With respect to agenda item 6:**

#### **The authorisation of the Board of Directors to raise the capital publicly or privately**

##### Draft resolution 11:

The Board of Directors asks the Shareholders' Meeting to authorise the Board of Directors to increase the capital either publicly or privately by issuing new shares. Based on the authorisation, the Board of Directors may increase the capital by a maximum of HUF 6,000,000 (that is by issuing no more than 600,000 new shares) during a period of 5 years. The authorisation of the Shareholders' Meeting also includes making all decisions related to the capital increase (and so for the right to designate as well which is defined in section V/9 of the statutes), amending the Articles of Association in respect of the capital increase and making all other related decisions that would otherwise fall within the competence of the Shareholders' Meeting.

##### Draft resolution 12:

The Board of Directors asks the Shareholders' Meeting to authorise the Board of Directors in respect of the capital increase to limit or exclude the exercising of the priority subscription right during the term of the authorisation pertaining to the capital increase on the basis of the following:

When raising the capital, the Board of Directors will attempt to find a legal solution that will

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be an effective tool for raising capital both in the Hungarian and the Polish market.

The Board of Directors wishes to use the new capital raised through the capital increase to finance new investments and for this reason the rapid completion of the capital increase is of material importance.

The exclusion or limitation of the priority right does not prevent the shareholders from participating in the capital increase and it facilitates the rapid financing of the investment after successful contract conclusion.

## **II. AGGREGATE NUMBER OF SHARES AND VOTING RIGHTS**

E-Star Alternative Plc, in accordance with Article 304 (1) of the Companies Act, hereby announces the aggregate number of shares and voting rights that exist when the Shareholders' Meeting is convened.

Composition of the Company's capital:

Share series	Face value (HUF/share)	Number of shares issued	Total face value (HUF)
ORDINARY SHARES	10	2,400,000	24,000,000
Amount of capital			24,000,000

Number of voting rights related to the shares:

Share series	Number of shares issued	Number of treasury shares*	Voting shares	Voting right per share	Total voting rights
ORDINARY SHARES	2,400,000	26	2,400,000	1	2,400,000
Total	2,400,000	26	2,400,000	1	2,400,000

\*The Board of Directors of E-Star Alternative Plc. reminds its Investors of the previous transactions involving treasury shares. As a result of the above, at the time of expiry (in the absence of additional transactions), E-Star Alternative Plc. will possess 120,026 shares.

Board of Directors of  
E-Star Alternative Plc.

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