

**SUMMARY OF THE PROPOSALS FOR THE ITEMS ON THE AGENDA  
OF THE GENERAL MEETING  
AND  
PROPOSED RESOLUTIONS ON THE ITEMS ON THE AGENDA  
FOR THE ANNUAL GENERAL MEETING OF **CIG PANNONIA LIFE  
INSURANCE PLC**  
TO BE HELD ON 19 APRIL 2022**

<b>Scheduled date of the General Meeting:</b>	19 April 2022 (Tuesday) 10:00 a.m.
<b>Venue of the General Meeting:</b>	Courtyard by Marriott Budapest City Center, 1088 Budapest, József körút 5, 1st floor, Jászai Mari Hall
<b>Participation in the General Meeting:</b>	personal attendance or by proxy
<b>Form of the General Meeting:</b>	meeting with physical presence

The Board of Directors of **CIG Pannónia Life Insurance Public Limited Company** (registered office: 1097 Budapest Könyves Kálmán krt. 11, Building 'B'; company registration number: 01 10 045857 (**Company**) **has convened the Annual General Meeting on 19 April 2022 at 10:00 a.m.** The agenda of the meeting is set out in the notice of the invitation to the General Meeting published in the manner specified in Chapter VIII, Section 8 of the Articles of Association of the Company. The notice of the invitation to the General Meeting has been published on the Company's website ([www.cigpannonia.hu](http://www.cigpannonia.hu)), on the website of Magyar Nemzeti Bank ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)).

Following the publication of the Notice, pursuant to Section 3:259 (2) of Act V of 2013 on the Civil Code (**Civil Code**), the right to add items to the agenda of the General Meeting was exercised by one Shareholder with regard to the addition to item 6 (underlined as an addition).

**ITEMS ON THE AGENDA OF THE SCHEDULED GENERAL MEETING**

1. Decision on the approval of the annual accounts of the Company for the year 2021, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, based on the proposal of the Board of Directors, the opinion of the Audit Committee and the Supervisory Board and the statement of the Auditor;  
  
Decision on the approval of the consolidated annual accounts of the Company for the year 2021, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, based on the proposal of the Board of Directors, the



- opinion of the Audit Committee and the Supervisory Board and the statement of the Auditor;
2. Decision on the appropriation of the profit after tax for 2021;
3. Decision on the adoption of the Company's Corporate Governance Report (CGR) for 2021
4. Decision on the evaluation of the work of the Board of Directors and on the hold-harmless warrant to its members;
5. Decision on the election of a new member of the Board of Directors and on the extension of the mandate of certain members of the Board of Directors;
6. Decision on the election of a new member of the Supervisory Board and the Audit Committee and on the extension of the term of office of certain members of the Supervisory Board and the Audit Committee;
7. Revision of the Rules of Procedure of the Supervisory Board;
8. Vote on the Remuneration Policy of the Company;
9. Vote on the Remuneration Report of the Company;
10. Information on the authorisation of the General Meeting to acquire own shares, decision on the authorisation to acquire own shares.

#### **AGENDA ITEM 1: CLOSING OF THE 2021 FINANCIAL YEAR**

- a) **Decision on the approval of the annual accounts of the Company for the year 2021, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, based on the proposal of the Board of Directors, the opinion of the Audit Committee and the Supervisory Board and the statement of the Auditor;**

Proposal for item 1 a) of the agenda:

In connection with the present agenda item, the Board of Directors informs the Shareholders that it has prepared the Company's **individual** annual accounts for the year 2021 under IFRS and that the Board of Directors has arranged for its disclosure to the Shareholders by way of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is accessible and downloadable without restriction.

With the resolution of the Board of Directors 27/2022. 03.28., CIG Pannónia Life Insurance Plc. has decided to submit to the Shareholders for approval the individual, non-consolidated annual accounts of the Company for the year 2021, prepared according to IFRS, including all its annexes, with a balance sheet total of THUF 123,164,452, profit after tax of THUF 1,160,677 and a total comprehensive income of THUF -1,030,927, with the Board of Directors recommending the payment of dividend.<sup>1</sup>

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<sup>1</sup> See agenda item 2



The Board of Directors further informs the Shareholders that it has prepared the Management Report accompanying the Company's Annual Accounts for the year 2021, which describes the Company's business performance, development and position, and has arranged for its disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

The Board of Directors proposes the General Meeting acknowledging the Management Report.

The Board of Directors further informs the Shareholders that the Supervisory Board and the Audit Committee of the Company have prepared the Report of the Supervisory Board and the Audit Committee for the year 2021 in connection with the Company's individual annual accounts for the year 2021 and that the Board of Directors has arranged for its disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions. The Board of Directors proposes the General Meeting acknowledging the Report of the Supervisory Board and the Audit Committee.

The Board of Directors further informs the Shareholders that the Auditor of the Company has prepared the *Audit Report* for the Company's individual annual accounts for the year 2021 and the Board of Directors has arranged for its disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

The Board of Directors proposes the General Meeting acknowledging the Audit Report.

On the basis of the above, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution on agenda item 1, sub-item a):

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting hereby adopts the 2021 **INDIVIDUAL FINANCIAL STATEMENTS AND BUSINESS REPORT**, PREPARED ON THE BASIS OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS APPROVED BY THE EUROPEAN UNION, together with all annexes**

- **with THUF 123,164,452 balance sheet total,**
- **THUF 1,160,677 profit after tax, and**
- **a total comprehensive income of THUF -1,030,927.**



**The General Meeting also studied and acknowledged the Management Report accompanying the Company's Annual Accounts for the year 2021, which describes the Company's business performance, development and position, the Report of the Supervisory Board and Audit Committee for 2021, prepared by the Supervisory Board and Audit Committee, and the Report of the Auditor.**

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- b) **Decision on the approval of the consolidated financial statements of the Company for the year 2021, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, based on the proposal of the Board of Directors, the opinion of the Audit Committee and the Supervisory Board and the statement of the Auditor.**

Proposal for item 1 b) of the agenda:

In relation to this agenda item, the Board of Directors has prepared and adopted by resolution no. 27/2022.03.28 the draft **consolidated** annual report, the related draft management report on the Company's business performance, development and position, and the related auditor's report and has arranged for their disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which are thus available for downloading without any restrictions.

In its proposal, the Board of Directors underlines that, based on the operation in 2021,

- in 2021, the gross premium income of CIG Pannónia Group (**Group**) amounted to HUF 22.713 million, which is almost HUF 3.4 billion higher than in 2020 (118% of the revenue in 2020), of which 16,582 million was the gross premiums of unit-linked life insurance (of which HUF 6,809 million for pension insurance), HUF 4,675 million was income from traditional life insurance (of which HUF 1,263 million from pension insurance), HUF 823 million from health insurance and HUF 633 million from non-life insurance;
- our consolidated profit after tax was HUF 1,682 million, 155% higher than last year, i.e. more than two and a half times the previous year's figure. Without exception, our distribution channels increased their sales volumes year on year. The most notable growth was in the banking channel with 55%, followed by the independent brokers with 49% and the own network with 31%. The independent brokers channel has a prominent role to play in the implementation of the strategy, having played a spectacular role in the re-launch of non-life insurance.

Non-life insurance generated premium income of HUF 633 million in 2021, an increase of 195 percent compared to the comparative period. The non-life segment was relaunched in the third quarter, and the Group expects further dynamic growth in the segment.

Gross premium income from the first-year premiums of policies sold in the life portfolio amounted to HUF 2,567 million, an increase of 1 % compared to the previous year (HUF 2,531 million). Gross premium income from renewals in 2021 were HUF 14,313 million compared to HUF 12,756 million in 2020, i.e. renewal premiums increased by 12%. Occasional/once-off premiums were 36% higher than the 2020 occasional/once-off premium income at HUF 5,200 million, predominantly related to unit-linked life insurance. Within the total life premium income under IFRS of HUF 22,080 million, the share of occasional/one-off premiums is 24%, a significant increase compared to 20% in the previous year.

Profit before tax is a profit of HUF 1,786 million (profit before tax for 2020 is a profit of HUF 947 million), reduced by a tax liability of HUF 192 million and increased by deferred tax income of HUF 88 million. The overall profit after tax is HUF 1,682 million, HUF 1,022 million more than the profit after tax for 2020. The other comprehensive income includes a decrease in the fair value of financial assets available-for-sale of HUF 2,376 million, of which HUF 575 million is the unrealised loss on the fair value of OPUS shares held by the Group and the remainder (HUF 1,801 million) is the unrealised loss on government securities caused by the increase in yields on the government securities market. The total comprehensive income in 2021 is therefore a loss of HUF 694 million.

The Issuer's balance sheet total is HUF 127,785 million, its financial position is stable and its liabilities have been met in full. Equity amounts to HUF 13,168 million at 31 December 2021.

The Group's consolidated Solvency II capital adequacy ratio at the end of 2021 was 255 percent, well above the 150 percent required by the Supervisory Authority, including a 50 percent volatility buffer.

In addition to the above, the Board of Directors proposes to submit to the General Meeting for approval the consolidated annual report of the Company for the year 2021, prepared in accordance with IFRS, with a balance sheet total of THUF 127,784,290, a profit after tax of THUF 1,681,875 and a total comprehensive income of THUF -693,523.

The Board of Directors further informs the Shareholders that it has prepared the Management Report accompanying the Company's Consolidated Annual Accounts for the year 2021, which describes the Company's business performance, development and position, and has arranged for its disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

The Board of Directors proposes the General Meeting acknowledging the Management Report.

The Board of Directors further informs the Shareholders that the Supervisory Board and the Audit Committee of the Company have prepared the Report of the Supervisory Board and the



Audit Committee for the year 2021 in connection with the Company's consolidated annual accounts for the year 2021 and that the Board of Directors has arranged for its disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

The Board of Directors proposes the General Meeting acknowledging the Report of the Supervisory Board and the Audit Committee.

The Board of Directors further informs the Shareholders that the Auditor of the Company has prepared the Audit Report for the Company's consolidated annual accounts for the year 2021 and the Board of Directors has arranged for its disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

The Board of Directors proposes the General Meeting acknowledging the Audit Report.

On the basis of the above, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution on agenda item 1, sub-item b):

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting hereby adopts the 2021 CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED BUSINESS REPORT, PREPARED ON THE BASIS OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS APPROVED BY THE EUROPEAN UNION, together with all annexes.**

- **with THUF 127,784,290 balance sheet total,**
- **THUF 1,681,875 profit after tax, and**
- **a total comprehensive income of THUF -693,523.**

**The General Meeting also studied and acknowledged the Management Report accompanying the Company's Consolidated Annual Accounts for the year 2021, which describes the Company's business performance, development and position, the Report of the Supervisory Board and Audit Committee for 2021, prepared by the Supervisory Board and Audit Committee, and the Report of the Auditor.**

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## **AGENDA ITEM 2: DECISION ON THE APPROPRIATION OF THE PROFIT AFTER TAX FOR 2021**

### Proposal for agenda item 2:

The Company has decided to develop a meaningful corporate or group strategy, one part of which is, among others, to rebuild the property insurance (non-life) sales and business in the Hungarian market, to change the product mix of personal insurance sales, to correct the weighted sales figures, to build up the missing sales channels and to expand the existing sales capacity, which, by definition, requires the existence of an investment period, even if only short, and its financing. Our Company has already taken substantial steps to fully achieve this objective, having put in place the appropriate staff, regulatory and contractual conditions and documentation, developed the reinsurance framework and is proceeding in all respects in line with the Growth Strategy<sup>2</sup> announced on 19 July 2021.

Although these tasks, as well as the further plans, both on the financing side and on the equity side, will require additional resources in the coming years, for which the management of the Company intends to primarily use available resources as reserves without recourse to debt or other external sources, the compliance with the steps of the Growth Strategy and **the results achieved so far**, according to the Board of Directors of the Company, **will allow us to pay a dividend** after the financial year 2021.

In relation to the dividend policy, the **Company's Board of Directors will therefore submit to the General Meeting for approval a decision to pay a total dividend of almost HUF 1,700 million** after the 2021 financial year. This way, the Board of Directors proposes to use the profit after tax for 2021 to pay a dividend of **HUF 18** per ordinary share (ISIN: HU0000180112) to shareholders, with the additional amount required to be transferred from the profit reserve.

Regarding the background of dividend payment, the Board of Directors stresses the importance it attaches to the presence of a public float as a basis for sufficient liquidity and shareholder control and as a guarantee of a long-term regulated market presence. In order to create and maintain an investor base that is optimised for the company's operations, it has set itself the objective of creating a conservative institutional and small investor base based on a dividend policy that is in line with the interests of the majority shareholder, and this proposal is an active means of achieving that objective.

Based on this, our proposal:

Dividend/share	18
Number of shares	94,428,260
Total dividends in THUF	1,699,709

<sup>2</sup> [https://bet.hu/site/newkib/hu/2021.07./Strategia\\_megalkotasa\\_es\\_elfogadasa\\_128587250](https://bet.hu/site/newkib/hu/2021.07./Strategia_megalkotasa_es_elfogadasa_128587250)



From profit after tax	1,160,677
From retained earnings	539,032

Having received the support of the Audit Committee and the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution on agenda item 2:

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting resolves that the Company shall pay a dividend partly from the profit after tax and partly from the retained earnings. The Company shall pay a dividend of HUF 18 per share on the 94,428,260 ordinary shares of series A with a nominal value of HUF 33 per share, partly from the profit after tax of THUF 1,160,677 partly from retained earnings. The total amount of dividend payments is THUF 1,699,709.**

**The dividend shall be paid in accordance with the provisions of the Articles of Association in force at the time of the convening of this General Meeting and the adoption of this Resolution. The shareholder entitled to a dividend is the shareholder who holds the share on the date of the identification procedure carried out in accordance with the Articles of Association in force. The planned date for the identification procedure for the payment of dividends is 11 May 2022. The schedule dividend payment date is 18 May 2022. The dividend will be paid by KELER Zrt. on behalf of the Company.**

**The Company will publish a detailed announcement on the technical details of the dividend payment.**

**AGENDA ITEM 3: DECISION ON THE ADOPTION OF THE COMPANY'S CORPORATE GOVERNANCE REPORT (CGR) FOR 2021**

Proposal for agenda item 3:

The Board of Directors informs the Shareholders that it has prepared the Corporate Governance Report describing the Company's corporate governance practices and that the Board of Directors has arranged for its disclosure to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

The Board of Directors, by submitting the CGR to the General Meeting, complies with the provisions of Section 3:289 (1) of Act V of 2013 on the Civil Code (**Civil Code**) which requires the Board of Directors of a public limited company to submit to the Annual General Meeting a report on the company's corporate governance practices, prepared in the manner





prescribed for the participants of the relevant stock exchange, and to summarise the corporate governance practices followed by the Company in the previous financial year and to state the deviations from the application of the Recommendations on Corporate Governance of the Budapest Stock Exchange. In view of the fact that the Company's shares are securities listed on a regulated market and traded in the premium category of the Budapest Stock Exchange, the Board of Directors of the Company is submitting to the General Meeting for the ninth time this year a Corporate Governance Report prepared in accordance with the Corporate Governance Recommendations of the Budapest Stock Exchange and approved in advance by the Supervisory Board of the Company.<sup>3</sup>

The Board of Directors proposes to the General Meeting adopting the Corporate Governance Report.

Proposed resolution on agenda item 3:

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting adopts the Corporate Governance Report for 2021, prepared on the basis of the Recommendations of Budapesti Értéktőzsde Zrt. and approved in advance by the Supervisory Board of the Company.**

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**AGENDA ITEM 4: DECISION ON THE EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS AND THE GRANTING OF HOLD-HARMLESS WARRANT TO ITS MEMBERS**

Proposal for agenda item 4:

Pursuant to Chapter VIII, section 5 of the Company's Articles of Association, as well as Section 3:117(1) of the Civil Code, the Annual General Meeting of the Company shall, at the request of the chief executive officer, decide on the granting of a hold-harmless warrant for the management activities performed in the previous financial year at the same time as the adoption of the annual accounts. In granting the hold-harmless warrant, the General Meeting must certify that the members of the Board of Directors have carried out their duties during the period under review with the best interests of the Company at the forefront.

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<sup>3</sup> In connection with the CGR, the Board of Directors informs the Shareholders that listed companies are required to declare their corporate governance practices in two ways. In the first part of the corporate governance report, they must report in an accurate, comprehensive and easily understandable manner on their corporate governance practices during the financial year, including the corporate governance policy and any special circumstances. In the second part of the corporate governance report, they should report on their compliance with certain specific points of the Recommendation ("Recommendations A") and whether they apply certain recommendations of the Recommendation ("Recommendations J"), in accordance with the "comply or explain" principle. If the practice followed by the company is in line with the recommendations contained in the recommendations of the Recommendations on Corporate Governance of the Budapest Stock Exchange, it should be marked with a "yes". If the company does not apply a recommendation or applies it in a different way, it must explain how and why it differs ("comply or explain" principle). In the case of proposals, companies need only indicate whether or not they are applying the Directive in question, no further explanation is possible.



If the hold-harmless warrant is granted, the Company may only bring a claim for damages against such persons for breach of their duties as directors if the facts or particulars on the basis of which the hold-harmless warrant was granted were untrue or incomplete.

The Supervisory Board supports the adoption of the proposed resolution.

Proposed resolution on agenda item 4:

**General Meeting Resolution [■]/2022 (19 April):**

**Pursuant to Chapter VIII, Section 5 of the Articles of Association of the Company, the General Meeting accepts the work of the Board of Directors for the financial year 2021 and grants the members of the Board of Directors hold-harmless warrant pursuant to Section 3:117 (1) of Act V of 2013 on the Civil Code.**

**The General Meeting therefore concludes that**

<b>Zoltán Polányi</b>	<b>Chairman of the Board of Directors</b>
<b>Dr. István Fedák</b>	<b>member of the Board of Directors</b>
<b>Ms Zuzsanna Ódorné Angyal</b>	<b>member of the Board of Directors</b>
<b>dr. Péter Bogdánffy</b>	<b>member of the Board of Directors</b>

**duly performed their management tasks in the financial year 2021 and resolves to grant them a hold-harmless warrant for the financial year 2021. The granting of the hold-harmless warrant confirms that the members of the Board of Directors conducted the management of the Company in 2021 with the best interests of the Company as their primary consideration.**

**AGENDA ITEM 5: DECISION ON THE ELECTION OF A NEW MEMBER OF THE BOARD OF DIRECTORS AND THE EXTENSION OF THE TERM OF OFFICE OF CERTAIN MEMBERS OF THE BOARD OF DIRECTORS**

Proposal for item 5 a) of the agenda:

Pursuant to Article IX.2 of the Company's Articles of Association currently in force, "the Company shall have a Board of Directors consisting of at least three and no more than seven members, whose members shall be elected or recalled by the General Meeting. The list of members of the Board of Directors is set out in Annex 2 to these Articles of Association, which forms an integral part thereof."

The new concept of the internal functioning of the Company and its external Growth Strategy call for an expansion of the Company's operational management and its management levels, as well as an expansion of the management bodies, in particular the Board of Directors, in the context of the increase in its responsibilities. The basic pillar of the concept of expansion is that, in addition to the actuarial approach, the role of corporate governance should be given



a prominent place, both in terms of ensuring internal prudence, a transparent presence on the capital markets and the growing importance and tasks of responsible corporate governance.

Given the increased corporate governance responsibilities resulting from the Growth Strategy, the increased regularity and operational nature of the Board's work, and also in view of the need to comply with the rules of the Board's selection guidelines<sup>4</sup>(e.g. factors to be taken into account when determining the number of Board members), the Board considers it necessary to increase its efficiency. For this reason, it proposes to elect **Dr. Gábor Miklós Dakó**, who holds the position of Deputy Chief Executive Officer of the Company in charge of Corporate Governance and Prudential Compliance, as a member of the Board.

The Remuneration and Nominations Committee has reviewed the candidate's CV, personal competencies, which are described by the keywords financial markets, business strategy and business model, governance, and regulatory framework and requirements, and with its resolution 5/2022 (03.28.), it has established the professional competence and business reliability of Dr. Gábor Miklós Dakó as a member of the Board of Directors of CIG Pannónia Life Insurance Plc. and has recommended the Board of Directors to propose to the General Meeting the election of Dr. Gábor Miklós Dakó as a member of the Board of Directors.

As the founder of CIG Pannónia Első Magyar Általános Biztosító Zártkörűen Működő Részvénytársaság, a subsidiary of the Company (registered office: 1097 Budapest, Könyves Kálmán körút 11, (registration number: 01 10 046150) (**EMABIT**), where Dr. Gábor Miklós Dakó performs the function of Deputy CEO in relation to corporate governance as a senior executive, the Company also informs the investors that it has also deemed it necessary to appoint the person named in this proposal and nominated as a member of the Board of Directors to the EMABIT Board of Directors in order to implement the Group-wide strategy and concept. The Remuneration and Nominations Committee also determined the professional competence and business reliability of Dr. Gábor Miklós Dakó for the position of a member of the EMABIT Board of Directors by its resolution of 28 March 2021, 5/2022 (03. 28.) The Remuneration and Nominations Committee further recommended that the Board of Directors of the Company, acting on behalf of the founder, elect Dr. Gábor Miklós Dakó as a member of the Board of Directors.

The Board of Directors proposes, with regard to the person nominated as a member, that the term of office of the new member be fixed for a period of five (5) years, subject to and commencing upon the granting of the relevant authorisation by Magyar Nemzeti Bank. According to the proposal the Board member to be elected shall not be entitled to any remuneration after the term of office.

### **Dr Gábor Miklós Dakó**

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<sup>4</sup> [https://www.cigpannonia.hu/docs/default-source/t%C3%A1rsas%C3%A1g%C3%A1ny%C3%ADt%C3%A1s/l\\_nl\\_test%C3%BCleti\\_kiv%C3%A1laszt%C3%A1si\\_ir%C3%A1nyelvek\\_20220309.pdf?sfvrsn=fa7ccb6c\\_4](https://www.cigpannonia.hu/docs/default-source/t%C3%A1rsas%C3%A1g%C3%A1ny%C3%ADt%C3%A1s/l_nl_test%C3%BCleti_kiv%C3%A1laszt%C3%A1si_ir%C3%A1nyelvek_20220309.pdf?sfvrsn=fa7ccb6c_4)



Dr. Gábor Miklós Dakó graduated from the Faculty of Law and Political Sciences of the Janus Pannonius University of Sciences in 1998, and enhanced his knowledge by training as a broker and company lawyer. He holds a law degree. He started his professional career in 1998 at the Hungarian Money and Capital Market Supervision, then in a law firm specialising in capital market transactions, and later at the Hungarian Financial Supervisory Authority/Magyar Nemzeti Bank, where he held positions as legal advisor, deputy head of department, then head of department and director in the fields of capital markets, licensing and market supervision. Since 2018, he has been a lawyer specialising in capital markets at Kertész & Partners Law Firm, and since 2019 he has been Deputy CEO of OPUS GLOBAL Plc. He is the co-author of the "Big Commentary on the Investment Firms Act", and has written several papers on capital markets, as well as participating in the activities of the professional committees of academics, capital markets and issuers. He is fluent in English. His main areas of expertise are: - money and capital markets, IR; - business and investor strategy and business model; - design and operation of governance; - regulatory framework and requirements, compliance.

Having received the support of the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution on agenda item 5, sub-item a):

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting elects Dr. Gábor Miklós Dakó as a member of the Board of Directors of the Company for a term of five (5) years, subject to the granting and validity of the relevant authorisation of Magyar Nemzeti Bank. Dr. Gábor Miklós Dakó shall not receive any remuneration for his office.**

Proposal for item 5 b) of the agenda:

Pursuant to Article IX.2 of the Company's Articles of Association currently in force, "the Company shall have a Board of Directors consisting of at least three and no more than seven members, whose members shall be elected or recalled by the General Meeting. The list of members of the Board of Directors is set out in Annex 2 to these Articles of Association, which forms an integral part thereof."

The Board of Directors records that currently some of its members have different terms of office. The term of office of **Dr. Péter Bogdánffy** will expire after the date of the General Meeting, on 17 May 2022, and it is therefore necessary to take a decision on the term of office of this member and, in fact, to elect a new member of the Board of Directors.

The professional career of Dr. Péter Bogdánffy can be found on the official website of the Company at <https://www.cigpannonia.hu/rolunk/vezetoseg>.



The Board of Directors states that, based on the candidate's professional curriculum vitae, he is undoubtedly qualified to perform the duties of the Board of Directors, and that the candidate, as a current Board member and in the work of the Board as a whole, will actively contribute to the development of CIG Pannónia Life Insurance Plc and ultimately to the development of the CIG Pannónia Group, and to the implementation of certain steps of the Group-wide Growth Strategy.

For all these reasons, the Board of Directors proposes the re-election of Dr. Péter Bogdánffy as an independent member of the Board of Directors for a term of five (5) years, subject to the granting and effective date of the relevant authorisation of Magyar Nemzeti Bank.

It is proposed that the Board member to be elected shall be remunerated for their term of office in accordance with the principle, rules and level of remuneration already established.

Having received the support of the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution on agenda item 5, sub-item b):

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting elects Dr. Péter Bogdánffy as a member of the Board of Directors of the Company for a term of five (5) years, subject to the granting and validity of the relevant authorisation of Magyar Nemzeti Bank. Dr. Péter Bogdánffy shall receive the remuneration for his office in accordance with the Board of Directors' Resolution No. 7/2021 (19 April) adopted within the powers of the General Meeting-**

Proposal for item 5 c) of the agenda:

Pursuant to Article IX.2 of the Company's Articles of Association currently in force, "the Company shall have a Board of Directors consisting of at least three and no more than seven members, whose members shall be elected or recalled by the General Meeting. The list of members of the Board of Directors is set out in Annex 2 to these Articles of Association, which forms an integral part thereof."

The Board of Directors records that currently some of its members have different terms of office. The term of office of Dr. István Fedák will expire after the date of the General Meeting, on 21 June 2022, and it is therefore necessary to take a decision on the term of office of this member and, in fact, to elect a new member of the Board of Directors.

The professional career of Dr. István Fedák can be found on the official website of the Company at <https://www.cigpannonia.hu/rolunk/vezetoseg>.

The Board of Directors states that the specific Board member actively contributes to the success of CIG Pannónia Life Insurance Plc, and ultimately to the development of the CIG



Pannónia Group, to the implementation of certain steps of the Group-wide Growth Strategy (such as, without claiming completeness, the expansion of our HR capacity, the restructuring and renewal of our life insurance product portfolio, the development of sales channels, the relaunch of EMABIT in the large corporate line and the establishment of a stable reinsurance background) both individually and in the work of the Board, for which reason it proposes the re-election of Dr. István Fedák, a non-independent member of the Board of Directors, for a term of five (5) years, subject to the granting and effective date of the relevant authorisation by Magyar Nemzeti Bank.

It is proposed that the Board member to be elected shall be remunerated or not remunerated for their term of office in accordance with the principle, rules and level of remuneration already established.

Having received the support of the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution on agenda item 5, sub-item c):

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting elects Dr. István Fedák as a member of the Board of Directors of the Company for a term of five (5) years, subject to the granting and validity of the relevant authorisation of Magyar Nemzeti Bank. Dr. István Fedák shall not receive any remuneration for his office.**

**AGENDA ITEM 6: DECISION ON THE ELECTION OF A NEW MEMBER OF THE SUPERVISORY BOARD AND THE AUDIT COMMITTEE AND ON THE EXTENSION OF THE MANDATE OF CERTAIN MEMBERS OF THE SUPERVISORY BOARD AND THE AUDIT COMMITTEE**

Proposal for item 6 a) of the agenda:

According to the current Articles of Association of the Company, "A Supervisory Board with minimum three and maximum ten members operates at the Company, the members of which are elected, for a maximum term of five years, and recalled by the General Meeting. The members of the Supervisory Board may not be employed by the Company, with the exception of persons representing employees. The Supervisory Board shall elect a chairman from among its members."

According to the current Articles of Association of the Company, "The Company shall establish an audit committee of up to four members, the members of which shall be elected by the general meeting from among the independent members of the supervisory board. At least one member of the audit committee shall have a professional qualification in accounting and/or auditing."



The General Meeting has the exclusive competence to elect, inter alia, the members of the Supervisory Board (qualified majority) and the Audit Committee.

The Board of Directors states that the elected members of the Supervisory Board and Audit Committee currently have different terms of office. The term of office of Mr. János Tima, who currently chairs the Supervisory Board of the Company and is also a member of the Audit Committee of the Company, will expire after the date of the General Meeting, on 17 May 2022, and it is therefore necessary to decide on the mandate of this member of the Board and, in fact, to elect a new member of the Supervisory Board/Audit Committee.

The professional career of János Tima can be found on the official website of the Company at <https://www.cigpannonia.hu/rolunk/vezetoseg>.

The Remuneration and Nominations Committee has examined the candidate's CV and personal competences and, by its resolution of 6/2022 (03.28.), has determined János Tima's professional suitability for the position of Supervisory Board member and member of the Audit Committee of CIG Pannónia Life Insurance Plc. and has recommended the Board of Directors to submit a proposal to the General Meeting for the election of János Tima as a member of the Supervisory Board.

With regard to the person nominated as a member of the Supervisory Board and Audit Committee, the Board of Directors proposes that the term of office of the new member be set at five (5) years, subject to the granting and effective date of the relevant authorisation of Magyar Nemzeti Bank. It is proposed that the member of the Supervisory Board/Audit Committee to be elected shall be remunerated for their term of office in accordance with the principle, rules and level of remuneration already established.

Having received the support of the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolutions.

Proposed resolution on agenda item 6, sub-item a):

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting elects János Tima as a member of the Supervisory Board of the Company for a term of five (5) years, subject to the granting and validity of the relevant authorisation of Magyar Nemzeti Bank. János Tima shall receive the remuneration for his office in accordance with the Resolution of the Board of Directors no. 8/2021 (19 April) adopted within the powers of the General Meeting.**

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting elects János Tima as a member of the Audit Committee of the Company for a term of five (5) years, subject to the granting and validity of the relevant authorisation of Magyar Nemzeti Bank. János Tima shall receive the**



**remuneration for his office in accordance with the Resolution of the Board of Directors no. 9/2021 (19 April) adopted within the powers of the General Meeting.**

Proposal for item 6 b) of the agenda:

According to the current Articles of Association of the Company, "A Supervisory Board with minimum three and maximum ten members operates at the Company, the members of which are elected, for a maximum term of five years, and recalled by the General Meeting. The members of the Supervisory Board may not be employed by the Company, with the exception of persons representing employees. The Supervisory Board shall elect a chairman from among its members."

According to the current Articles of Association of the Company, "The Company shall establish an audit committee of up to four members, the members of which shall be elected by the general meeting from among the independent members of the supervisory board. At least one member of the audit committee shall have a professional qualification in accounting and/or auditing."

The General Meeting has the exclusive competence to elect, inter alia, the members of the Supervisory Board (qualified majority) and the Audit Committee.

The framework agreement with Magyar Bankholding Zrt. is a key element of the Company's concept, which is part of its internal functioning and its external Growth Strategy, to become a reliable, dominant and stable composite insurer with a portfolio of life and non-life insurance products over the next five years, and its disciplined implementation requires the extension of the control function in this direction.<sup>5</sup> The disciplined implementation of the agreement requires an expansion of the control function in that regard. For this reason, the Board of Directors proposes the election of Ildikó Ginzer as a member of the Supervisory Board/Audit Committee.

The Remuneration and Nominations Committee has examined the candidate's CV and personal competences and, by its resolution of 7/2022 (03.28), has determined Ildikó Ginzer's professional suitability for the position of Supervisory Board member and member of the Audit Committee of CIG Pannónia Life Insurance Plc. and has recommended the Board of Directors to submit a proposal to the General Meeting for the election of Ildikó Ginzer as a member of the Supervisory Board/Audit Committee.

### **Ildikó Ginzer**

In 2005, she graduated from the Faculty of Business Administration of Corvinus University of Budapest with a Master's degree in Economics in the fields of Corporate Finance and Economics. From 2004 to 2016 she worked in Raiffeisen Bank, first in structured and project finance, then in senior positions in the bank's corporate intensive management and recovery areas, and was involved in the development of the strategy and processes in these areas. Between 2012 and 2016, she was Head of Corporate Restructuring and Receivables

<sup>5</sup> [https://bet.hu/newkibdata/128676106/CIG\\_Bankh\\_MKB\\_20220222.pdf](https://bet.hu/newkibdata/128676106/CIG_Bankh_MKB_20220222.pdf)





Management at Raiffeisen Bank, directly under the direction of the Deputy Chief Executive for Risk Management. In 2016, she was a Strategy and Group Development expert at Borealis AG. She was responsible for several growth and strategic projects of the company. She played a coordinating role in acquisition processes in petrochemical companies. At the end of 2016, she joined MKB Bank Zrt. as Deputy CEO for Risk Management, responsible for the bank's retail and corporate risk management and receivables management areas. Since February 2019, she has been Deputy CEO for General and Business Affairs at MKB Bank.

With regard to the person nominated as a member of the Supervisory Board/Audit Committee, the Board of Directors proposes that the term of office of the new member be set at five (5) years, subject to the granting and effective date of the relevant authorisation of Magyar Nemzeti Bank. It is proposed that the member of the Supervisory Board/Audit Committee to be elected shall be remunerated for their term of office in accordance with the principle, rules and level of remuneration already established.

Having received the support of the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolutions.

Proposed resolution on agenda item 6, sub-item a):

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting elects Ildikó Ginzer as a member of the Supervisory Board of the Company for a term of five (5) years, subject to the granting and validity of the relevant authorisation of Magyar Nemzeti Bank. Ildikó Ginzer shall receive the remuneration for her office in accordance with the Resolution of the Board of Directors no. 8/2021 (19 April) adopted within the powers of the General Meeting.**

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting elects Ildikó Ginzer as a member of the Audit Committee of the Company for a term of five (5) years, subject to the granting and validity of the relevant authorisation of Magyar Nemzeti Bank. Ildikó Ginzer shall receive the remuneration for her office in accordance with the Resolution of the Board of Directors no. 9/2021 (19 April) adopted within the powers of the General Meeting.**

**AGENDA ITEM 7: REVIEW OF THE RULES OF PROCEDURE OF THE SUPERVISORY BOARD**

Proposal for Agenda Item 7:

Pursuant to the provisions of Section 3:122 (3) of the Civil Code [Functioning of the Supervisory Board] the supervisory board shall establish its own rules of procedure, subject to approval by the business association's supreme body.



The Rules of Procedure of the Supervisory Board currently in force (**Rules of Procedure**), on the basis of which the Board performs its duties, are the Rules of Procedure, which were consolidated and entered into force on 24 April 2020, with the changes made to date. The preparation for the revision of the Rules of Procedure was carried out by the Company, taking into account the instructions and practical functioning of the Supervisory Board, and concluded that they are suitable for the efficient and effective performance of the work of the Board and provide an appropriate framework for it, so that only formal and, in one case, substantive amendments are justified. As the main rule in Chapter III (Operations) of the Rules of Procedure is currently that “The Supervisory Board shall hold its meetings on the dates set out in the annual work plan”, it is however appropriate to include the work and meeting schedule of the Supervisory Board, which in practice is monthly, without specifying the specific dates, as the Supervisory Board wishes to have sufficient flexibility in relation to the matters that are on its agenda and that the Supervisory Board wishes to discuss prior to the meetings of the Board of Directors.

With this proposal, the substance of the Rules of Procedure would be amended as underlined on page 3, paragraph 2, as follows:

The Supervisory Board shall, as a general rule, hold its meetings on the days specified in the annual work plan. In order to ensure flexibility and the smooth performance of tasks aligned with and related to those of the other bodies of the Company, the schedule of meetings may be set only on a monthly basis, in which case the specific dates of each meeting of the Board shall be fixed in coordination with the Deputy Chief Executive Officer of the Company responsible for Corporate Governance and Prudential Compliance. If it is necessary to convene a meeting of the Supervisory Board in addition to those provided for in the work plan, it shall be convened by the Chairman. The Deputy Chief Executive Officer for Corporate Governance and Prudential Compliance shall be responsible for the technical management of the convening of the meeting, as indicated by the Chairman. The meeting shall, as a general rule, be convened by the person appointed by the Chairman, by sending a password-protected e-mail message electronically 5 calendar days before the meeting. The message shall be accompanied by the proposals. The annexes shall be delivered to the members by uploading them to the repository, allocated to the members of the body. The notification message shall include the agenda, venue, date and time of the meeting and the place and fact of access to the proposals. Any member of the Supervisory Board may request a meeting of the Supervisory Board, stating the purpose and the reason, in writing to the Chairman, who shall, within 8 days of receipt of the request, arrange, in consultation with the person appointed by the Chairman, for the meeting of the Supervisory Board to be convened within 30 days. If the Chairman does not comply with the request, the member shall be entitled to convene the meeting themselves.

Having received the approval and support of the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution on agenda item 7:

**General Meeting Resolution [■]/2022 (19 April):**



The General Meeting resolves to amend the Rules of Procedure of the Supervisory Board to read as follows in paragraph 2 on page 3:

The Supervisory Board shall, as a general rule, hold its meetings on the days specified in the annual work plan. In order to ensure flexibility and the smooth performance of tasks aligned with and related to those of the other bodies of the Company, the schedule of meetings may be set only on a monthly basis, in which case the specific dates of each meeting of the Board shall be fixed in coordination with the Deputy Chief Executive Officer of the Company responsible for Corporate Governance and Prudential Compliance. If it is necessary to convene a meeting of the Supervisory Board in addition to those provided for in the work plan, it shall be convened by the Chairman. The Deputy Chief Executive Officer for Corporate Governance and Prudential Compliance shall be responsible for the technical management of the convening of the meeting, as indicated by the Chairman. The meeting shall, as a general rule, be convened by the person appointed by the Chairman, by sending a password-protected e-mail message electronically 5 calendar days before the meeting. The message shall be accompanied by the proposals. The annexes shall be delivered to the members by uploading them to the repository, allocated to the members of the body. The notification message shall include the agenda, venue, date and time of the meeting and the place and fact of access to the proposals. Any member of the Supervisory Board may request a meeting of the Supervisory Board, stating the purpose and the reason, in writing to the Chairman, who shall, within 8 days of receipt of the request, arrange, in consultation with the person appointed by the Chairman, for the meeting of the Supervisory Board to be convened within 30 days. If the Chairman does not comply with the request, the member shall be entitled to convene the meeting themselves.

#### **AGENDA ITEM 8: VOTE ON THE REMUNERATION POLICY OF THE COMPANY**

##### Proposal for agenda item 8:

According to the provisions of Article VIII [Remuneration Policy] of the Articles of Association, the "General Meeting has the exclusive competence to vote on the remuneration policy. The remuneration policy shall be put on the agenda of the General Meeting should it change significantly, but on minimum one occasion in every four years."

In the light of the rule set out above, the Company has fully revised its remuneration system in 2021. The revised remuneration system has been established as a single remuneration system with a unified structure consisting of *three pillars* (**Unified Remuneration System**).

The provisions of the three pillars and thus of the public Unified Remuneration System applicable to employees are set out in the present CIG Pannónia Remuneration Policy (**Pillar I: Remuneration Policy**), which, subject to the provisions of Act LXVII of 2019 Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonisation purposes (**SRD Act**), is supplemented by a separate set of rules with regard to persons falling within the scope of the SRD Act (**Pillar III: Remuneration Policy**).



Additionally, the Uniform Remuneration Policy includes remuneration rules drawn up within the framework of the ESOP (Employee Stock Ownership Plan) scheme (**Pillar II: ESOP Remuneration**), which is a separate remuneration element defined under the ESOP Act for the implementation of the form of remuneration and the personnel defined therein in accordance with the rules of Pillars I and II, but is not a separate remuneration system.

The subject of the present proposal is the revision of Pillar III, i.e. the Remuneration Policy, which includes, among others, a precise definition of the scope of the personnel covered, the remuneration system attributed to these personnel, a description of the decision-making process for reviewing and implementing the rules, and the role of the Remuneration and Nomination Committee operated by the Company as defined in the SRD Act.

The revised Remuneration Policy is in line with all elements of the *"Board Selection Guidelines"*,<sup>6</sup> revised and updated by the Company and of the Unified Remuneration System.

The Remuneration and Nomination Committee has discussed the revised and updated Remuneration Policy of the Company. The updating, substantive and formal revision of the Remuneration Policy was necessary as the Policy, which was adopted<sup>7</sup> by the Company's General Meeting on 19 April 2021 and entered into force for this reason, contained a framework that was influenced by the strategy established after its entry into force, the design of the performance evaluation system, the indications of the Company's auditor, personnel changes affecting the scope of the Policy (e.g. deputy CEO position), and it was therefore considered appropriate to revise it to version 2.0, with the agreement of the Remuneration and Nomination Committee, and to submit it to the General Meeting.

The Board of Directors has also arranged for the Remuneration Policy to be communicated to the Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

Proposed resolution on agenda item 8:

**General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting adopts and agrees with the provisions of the "REMUNERATION POLICY OF CIG PANNONIA LIFE INSURANCE PUBLIC LIMITED COMPANY for the personnel specified in Section 2 (2) of the SRD Act (Pillar III of the Unified Remuneration System) 2.0", which describes the Company's remuneration policy, and approves the form and content thereof.**

<sup>6</sup>

[https://www.cigpannonia.hu/docs/default-source/t%C3%A1rsas%C3%A1gir%C3%A1ny%C3%ADt%C3%A1s/l\\_nl\\_test%C3%BCleti\\_kiv%C3%A1laszt%C3%A1si\\_ir%C3%A1nyelvek\\_20220309.pdf?sfvrsn=fa7ccb6c\\_4](https://www.cigpannonia.hu/docs/default-source/t%C3%A1rsas%C3%A1gir%C3%A1ny%C3%ADt%C3%A1s/l_nl_test%C3%BCleti_kiv%C3%A1laszt%C3%A1si_ir%C3%A1nyelvek_20220309.pdf?sfvrsn=fa7ccb6c_4)

<sup>7</sup> Board Resolution 12/2021 (19 April) within the powers of the General Meeting

## **AGENDA ITEM 9: VOTE ON THE REMUNERATION REPORT OF THE COMPANY**

### Proposal for agenda item 9:

The Company is required to prepare an annual Remuneration Report (**Report**) in accordance with the Remuneration Policy, starting with the year 2021 and every year thereafter.

The Report, discussed as proposed by the Remuneration and Nomination Committee and approved by the Board of Directors, is clear and understandable and is suitable to provide a comprehensive overview of the remuneration awarded to each Director (Board member/Supervisory Board member/CEO/Deputy CEO, collectively) in any form in accordance with the remuneration rules or based on the results of the last financial year (2021), including newly hired Directors in the financial year (2021).

Based on the Report, the remuneration system of the Company for the financial year (2021), as determined by the regulatory environment due to its presence in the regulated market, is presented in sufficient detail, transparent and publicly available. This will contribute to the public being able to ascertain, by reference to the financial year in question, whether the remuneration of the Directors is in line with the Company's Unified Remuneration Policy, its business strategy, its stated objectives and the sustainability of its development in the medium and long term.

The Report includes all remuneration received from companies belonging to the same group comprising the parent company within the meaning of Act C of 2000 on Accounting and all its subsidiaries.

The Company's permanent auditor has verified that the Remuneration Report includes the information required by the relevant legislation currently in force.

The Board of Directors has also arranged for the Remuneration Report to be communicated to Shareholders by means of publication on the Company's website, the website of the Budapest Stock Exchange and the official disclosure site operated by Magyar Nemzeti Bank, which is thus available for downloading without any restrictions.

Proposed resolution on agenda item 9:

### **General Meeting Resolution [■]/2022 (19 April):**

**The General Meeting of Shareholders adopts and agrees with the Company's Remuneration Report for the financial year 2021 and approves its form and content.**

## **AGENDA ITEM 10: INFORMATION ON THE AUTHORISATION OF THE GENERAL MEETING TO ACQUIRE OWN SHARES, DECISION ON THE AUTHORISATION TO ACQUIRE OWN SHARES**

### Proposal for agenda item 10:

The Board of Directors recalls that the Company's 2021 Annual General Meeting<sup>8</sup> authorised the Board of Directors to acquire treasury shares by resolution 13/2021 (19 April). The Board of Directors has been authorised pursuant to Section 3:223 (1) of the Civil Code to acquire the ownership of the dematerialised ordinary shares issued by the Company with a nominal value of HUF 33, i.e. thirty-three forints, in accordance with the terms and conditions set out in the aforementioned General Meeting Resolution.

Pursuant to Section 3:223 [Decisions on the acquisition of treasury shares] paragraph (1) of Act V of 2013 on the Civil Code (**Civil Code**), own shares may be acquired by means of a contract for pecuniary interest upon the general meeting authorizing the management board in advance to acquire them, expressly specifying the type and class of shares that can be acquired, their quantity and nominal value, and the minimum and maximum amounts of consideration payable. The authorisation may be granted for a period of eighteen months.

The number of own shares of the Company is currently 0 ordinary shares with a nominal value of HUF 33, ISIN HU0000180112, representing 0% of the total number of shares issued by the Company. Under the rules, the Company may acquire shares issued by it up to a maximum of twenty-five percent of its share capital. However, the acquisition must not prevent compliance with the SII requirements. For the purpose of determining the extent of own shares, shares held by a legal person under the majority control of the company, including a foreign resident company which is a limited liability company or a public limited company under the law governing it, shall be taken into account as the property of the company. Shares acquired or held by their holders for the benefit of the public limited liability company and own shares accepted by the public limited liability company as security for claims shall also be taken into account as shares held by the public limited liability company. It is a limitation that the company may not acquire its own shares in the course of the foundation or increase of the share capital or acquire its own shares for consideration if the conditions for the payment of dividends are met. The company shall be allowed to pay for its own shares from the assets available for payment as dividends.

The authorisation is currently in force and will remain in force until 24 October 2022, but the Board of Directors, in order to express its confidence in the future of the Company and to implement its strategy, wishes to take advantage now of the option of obtaining an authorisation to acquire own shares, which is more general than previously but still sufficiently specific in its objectives. The strategic objectives include, in particular,

- the use of own shares as a means of payment in acquisition transactions,
- the operation of share-based incentive schemes (provision of an allocation to the ESOP entity), or
- facilitation of the possibility of optimising the capital structure.

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<sup>8</sup> In the form of a Board Resolution adopted within the powers of the General Meeting



Taking into account the above history, rules and objectives, the Board of Directors of the Company proposes that the General Meeting of Shareholders authorises the acquisition of up to 5% of the Company's issued ordinary shares of HUF 33 nominal value each, with ISIN HU0000180112, for the additional period permitted by law, starting from the current date. In the case of acquisition of shares for consideration, the maximum and minimum amount of the consideration would continue to be set by the Company at the daily stock exchange price +/- 20%.

Having received the support of the Supervisory Board, the Board of Directors proposes the adoption of the following General Meeting Resolution.

Proposed resolution for agenda item 12:

**Board Resolution [■]/2021 (19 April) within the powers of the General Meeting**

**Pursuant to the decision of the General Meeting, the Board of Directors is authorised, pursuant to Section 3:223(1) of the Civil Code, to acquire the ownership of the dematerialised ordinary shares issued by the Company with a nominal value of HUF 33, i.e. thirty-three Forints, under the terms and conditions set forth in this Resolution of the General Meeting, in such a way that, together with the number of shares currently classified as own shares of the Company, the Company may simultaneously own up to 5% of the total number of own shares issued by the Company. Own shares may be acquired free of charge or for consideration. In the case of acquisition for consideration, the acquisition may be effected on the stock exchange with a public offer or by means of an OTC transaction, including the exercise of a right secured by a financial instrument (e.g. a purchase option, conversion right, etc.) entitling the holder to acquire own shares. The minimum and maximum amounts of the consideration for the acquisition of shares were set by the Company at +/- 20% of the daily stock exchange price.**

**CIG Pannónia Life Insurance Plc.**

Board of Directors