

## **Proposals for the extraordinary general meeting of FOTEX Nyrt, to be held on August 31, 2007, at 12 a.m.**

### **1.) Amendment of the guidelines of the remuneration and long-term incentive system of chief executive officers, as well as senior employees**

The Board of Directors suggests that the guidelines concerning a managerial incentive system be supplemented with the following:

It is a condition of exercising the program that FOTEX Group's profit after taxes minus minority interest according to its financial report should be positive, and FOTEX Nyrt., based on its balance-sheet data compiled in accordance with the rules of the Accountancy Act, complies with the rules of dividend payment. In the event that these conditions are met, the holders of dividend preference shares shall be entitled to dividends.

The rate of dividends shall be determined by the general meeting accepting the annual report, which shall not exceed 50 % of the given year's average stock-exchange rate, but at least it is of an amount equivalent to the double sum of the central bank base rate, valid on January 1 of the given year, projected to the face value of the share. The joint sum of the dividend determined for preference dividend cannot exceed 30 % of the profit after taxes of the year of the report, consolidated according to IFRS, minus minority share.

The number of shares providing preference dividend rights includable in the managerial interest system totals 7.858.180.

Beneficiaries shall acquire dividend preference shares by way of secondary release, under the contractual conditions as determined by the Board of Directors, with respect to the facts as stated in article (2) § 14 of the Tpt. Purchase price shall be determined at face value.

In a contract, the Board of Directors shall ensure that during the time of holding shares, a legal relationship of the party interested within the interest system exist. Inasmuch as an interested party terminates his or her legal relationship (employment or relationship of assignment), or it ceases due to any reason, then the dividend preference share will return to FOTEX Nyrt.

In a contract to be signed with an interested party, the Board of Directors shall stipulate a right of preemption, or for a term of 5 years, a right of option for the benefit of FOTEX Nyrt., which right shall be exercised in the event that

- a.) the related business with respect to the interest in which the allocation was performed, has not got an annual profit or it lags behind.
- b.) the share's holder's employment or relationship of assignment has ceased to any reason.

### **Proposal for decision:**

The general meeting should accept an amendment of the long-term of remuneration of chief executive officers, as well as senior employees and the guidelines of their incentive system in accordance with the written proposal of the Board of Directors.

### **2.) Amendment of the statutes concerning the content and negotiation of the proposal for the restriction and limitation of preference subscription rights**

According to § 313 of the Gt, the general meeting, based on a written proposal by the Board of Directors, in the event of an exclusive equity capital increase, may limit or exclude the preference right of shareholders concerning the subscription of shares. The rules concerning the

content and negotiation of the proposal shall be stated in the Statutes and these latter shall be completed with regard to this.

**Proposal for decision** to complete the statutes by item 6.8:

“In the event of an exclusive increase of the equity capital, the written proposal compiled by the Board of Directors, concerning the restriction or exclusion of a shareholders’ preference subscription right shall include the purpose of the equity capital increase, the number and sort of shares to be issued, the rights attached to preference shares, their compensation, reasons for the restriction or the exclusion, and also the person assigned by the Board of Directors for the subscription of the shares to be issued by equity capital increase.

For the acceptance of a written proposal, the general’s meeting’s decision made by a simple majority of votes shall be required.”

### **3.) Acceptance of the proposal of the Board of Directors, and based on it, with respect to exclusive release, a decision on the exclusion of preference subscription right**

In its proposal, the Board of Directors suggests that the Company shall, be the issue of new shares, within the competence of the Board of Directors, within a term of 5 years, increase the company’s equity capital by a maximum sum of HUF 785.818.000,- with exclusive equity capital increase.

To the subscription of all dividend preference shares to be issued during the equity capital increase, exclusively a third party designated by the Board of Directors, other than the Company and the Shareholders, shall be entitled.

**Proposal for decision:**

During the equity capital increase constituting a basis for the managerial interest system, when issuing a dividend preference share, the preference subscription right shall be excluded by the general meeting based on article (4) § 313 of the Gt.

### **4.) Authorization of the Board of Directors to an exclusive equity capital increase by releasing dividend preference shares**

**Proposal for decision:**

The general meeting shall authorize the Board of Directors increase the equity capital by a maximum amount equivalent to 10% of the equity capital as increased, HUF 785.818.000,- by releasing dividend preference shares against monetary contribution, in an exclusive way, within 5 years from the date of the general meeting. The Board of Directors shall be entitled to perform an increase of the equity capital in several installments. During the increase of the equity capital, the Board of Directors shall be entitled to issue dividend preference shares at a value of HUF 100,- Ft per share, of a face value of HUF 100,-.

The general meeting shall authorize the Board of Directors to designate a person entitled to the subscription of the dividend preference shares to be issued, who should be a third party other than the Company and the shareholders.

The Board of Directors shall be entitled to make every decision otherwise falling within the competence of the general meeting.

An authorization for equity capital increase shall at the same time mean an entitlement and obligation for an amendment of the statutes regarding the increase of equity capital in consideration of the decisions made at this general meeting.

#### **5.) Decision on the determination of rights attached to dividend preference shares, and on the exclusion of the voting right**

##### **Proposal for decision:**

A shareholder having a dividend preference share, according to the decision of the general meeting accepting an annual report, shall be entitled to a dividend of a rate not exceeding 50 % of the given year's average stock exchange rate, but equivalent at least to a sum double that of the central bank interest rate, effective on January 1 of the given year, projected to the share's face value, inasmuch as the consolidated profit of the FOTEX, as stated according to international accountancy rules is positive and FOTEX Nyrt. is entitled, according to the rules of the Accountancy Act, to pay dividends and dividend advances.

The joint sum of the dividend determined for shares entitled to preference dividend shall not exceed 30% of the profit after taxes consolidated according to IFRS, minus minority share, of the year of the report.

To further dividend from the divisible dividend fund as determined by the general meeting, a shareholder with dividend preference shall not be entitled.

A dividend preference share shall not entitle a shareholder to voting at a general meeting.

To a dividend preference share, once a year, dividend advance can be paid, inasmuch as the conditions for that exist based on an interim balance-sheet.

#### **6.) Decision on the payment of dividend falling on own share**

##### **Proposal for decision:**

FOTEX Nyrt shall not distribute the dividend falling on the own share acquired, among shareholders, but shall use it with the Company in accordance with the Accountancy Act.

#### **7.) Authorization of the Board of Directors for the purchase of own share**

On April 27, 2006, the general meeting authorized the Board of Directors to purchase own shares with an effect until October 27, 2007.

This general meeting, with respect to the issue of dividend preference shares, amends this authorization.

##### **Proposal for decision:**

The general meeting shall authorize the Board of Directors, with an effect until February 28, 2009, to purchase own share.

Conditions for the acquisition of own shares:

The type of own shares acquirable: ordinary share, dividend preference share, jointly calculated, referred to one date, can be 10 % of the equity capital at most.

An ordinary share can be acquired in stock-exchange turnover, at the current rate, or in a turnover outside the stock exchange, in an onerous way at the daily stock exchange closing rate preceding the date of the transaction.

The purchase price of a dividend preference share shall be equal to the issue price. FOTEX Nyrt., when exercising option purchase or preemption right, shall purchase at a rate above a face value increased by an interest equivalent to the double of the central bank base rate calculated of that period, in which the share was owned by the natural person.

#### **8.) In item 5.4 of the Statutes amendment of the accounting date of Owner's identification**

According to (2) § 304 of the Gt, the name of a shareholder and shareholder's proxy shall be registered in the book of shares until the commencement of the general meeting, but this date cannot be earlier than the seventh working day preceding the starting date of the general meeting. In light of this, article 3 of section 5.4 of the Statutes shall be amended.

##### **Proposal for decision:**

„The accounting date of Owner's Identification shall be determined by the Company as the period between the 7<sup>th</sup> (seventh) and 5<sup>th</sup> (fifth) stock-exchange days preceding the general meeting. The specific accounting date preceding the general meeting shall be designated by the Board of Directors.”

#### **9.) Election of a new member to the Board of Directors**

According to the Statutes, the Board of Directors shall consist of at least 5, at most 11 natural person members.

##### **Proposal for decision:**

For a period up to the date of the first ordinary general meeting following his election, the general meeting shall elect member of the Board of Directors Dávid Várszegi (mother's name: Zsuzsanna Tarnai), resident at H-1123 Budapest, Győri út 6/b.

**FOTEX Nyrt. Board of Directors**