

Announcement of Észak-magyarországi Áramszolgáltató Nyilvánosan Működő Részvénytársaság

With respect to the annual general meeting which has been convened for 26th April 2019, the Board of Directors of Észak-magyarországi Áramszolgáltató Nyilvánosan Működő Részvénytársaság informs the shareholders pursuant paragraph 3:272 § (3) of the act V. of 2013 on the Civil Code and pursuant to clause III. 17 of the deed of foundation about the presentation the matter set out in the agenda of the annual general meeting, the report of the Supervisory Board on this matter as well as about the respective resolution proposals as follows.

To the 1st item of the agenda Closing of financial year 2018

Report of the Board of Directors about the financial year 2018

Shareholders may get to know the oral report of the Board of Directors in full on the general meeting.

The Board of Directors proposes the general meeting the approval of the annual report on the basis of the following data, and also submits the following proposal for the payment of dividends:

- balance sheet total of year 2018: 94 721 MHUF,
- according to the profit and loss account the result after taxation: 3 449 MHUF, will be added to the retained earnings,
- the suggested degree of dividend is 4 271 MHUF from the retained earnings, which corresponds to 1 400 HUF per share.

Proposal for decision No. 1:

“The general meeting accepts the report of the Board of Directors about the business activity of the Company in 2018.”

Report of the Auditor

The auditor PricewaterhouseCoopers Könyvvizsgáló Kft. examined the annual report prepared according to the Hungarian Accounting Act, the consolidated annual report according to the International Financial Reporting Standards (IFRS), and the business report for year 2018 in connection to which it had issued an opinion without qualification.

Proposal for decision No. 2:

“The general meeting accepts the report of the auditor about the financial year 2018.”

Report of the Supervisory Board

The Supervisory Board examined the annual report, the consolidated annual report, the business report and the proposal concerning the use of the retained earnings and agreed to them. The Supervisory Board acknowledged the Statutory Auditor's report and the position of the Audit Committee. Based on the documents made available to it in respect of the consolidated annual financial statements of the Company, the Supervisory Board has concluded that the Company prepared the latter in accordance with the provisions of Act C of 2000 on Accounting and with international financial reporting standards (IFRS) as accepted by the European Union. The Supervisory Board proposes to the General Meeting to adopt the annual reports. The Supervisory Board agrees to the proposal of the Board of Directors concerning the use of the retained earnings as well.

Proposal for decision No. 3:

“The general meeting accepts the report of the Supervisory Board about financial year 2018.”

Accepting the annual report, the utilisation of the balance sheet result, accepting the consolidated annual report

Proposal for decision No. 4:

“The general meeting accepts the annual financial statement of the Company for the year 2018 with 94 721 MHUF balance sheet total, and with 3 449 MHUF earnings after taxation, which is to be transferred into the retained earnings.

4 271 MHUF from the retained earnings, which corresponds to 1 400 HUF per share, is to be paid for the shareholders as dividend.

Furthermore, the general meeting also accepts the consolidated annual financial statement of the Company for the year 2018 with 107 898 MHUF balance sheet total, and with 6 654 MHUF earnings after taxation”

To the 2nd item of the agenda

Discharge to the members of the Board of Directors

The Members of the Board of Directors acted in accordance with the law, the Deed of Foundation, and in the interest of the Company and the shareholders during the 2018 financial year. Thus it is suggested that the general meeting grants discharge in accordance with the Civil Code to the Members of the Board of Directors.

Proposal for decision No. 5:

“The general meeting grants discharge to the members of the Board of Directors for the performance of their mandate during the 2018 financial year according to § 3.117 of the Civil Code.”

To the 3rd item of the agenda

Discharge to the members of the Supervisory Board

The Members of the Supervisory Board acted in accordance with the law, the Deed of Foundation, and in the interest of the Company and the shareholders during the 2018 financial year. Thus it is suggested that the general meeting grants discharge in accordance with the Civil Code to the Members of the Supervisory Board.

Proposal for decision No. 6:

“The general meeting grants discharge to the members of the Supervisory Board for the performance of their mandate during the 2018 financial year according to § 3.117 of the Civil Code.”

To the 4th item of the agenda

Approval of the corporate governance and management report

In terms the § 3:289 of the Civil Code the Board of Directors of a public limited company shall present to the annual general meeting the company governance and management report prepared according to the rules applicable to the actors of the given stock exchanges.

In the report the Board of Directors summarises the practice of corporate governance followed by the public limited-liability company in the previous financial year and makes an announcement about how, with what differences it had applied the recommendations on corporate governance of the Budapest Stock Exchange.

The Board of Directors applies the recommendations on corporate governance with the deviations included in the above mentioned report.

The Supervisory Board gave a preliminary opinion on the Company's Corporate Governance Report, and gave approval for it to be proposed to the General Meeting.

Proposal for decision No. 7:

"The general meeting accepts the report on corporate governance and management of the Board of Directors concerning 2018 financial year."

To the 5th item of the agenda

Election of members of the Board of Directors

The mandate of Ms. Dr. Maria-Theresia Elisabeth Thiehl in the Board of Directors expires on the 30th of September 2020. According to the proposal Ms. Dr. Maria-Theresia Elisabeth Thiehl effective from 1st October 2020 shall be elected as a member of the Board of Directors for a further three-year period, in line with the Deed of Foundation.

Proposal for decision No. 8:

"The general meeting elects Ms. Dr. Maria-Theresia Elisabeth Thiehl as a member of the Board of Directors for a further three-year period, effective from 01st October 2020."

The mandate of Mrs. Krisztina Horváth in the Board of Directors expires on the 30th of September 2020. According to the proposal Mrs. Krisztina Horváth effective from 1st October 2020 shall be elected as a member of the Board of Directors for a further three-year period, in line with the Deed of Foundation.

Proposal for decision No. 9:

"The general meeting elects Mrs. Krisztina Horváth as a member of the Board of Directors for a further three-year period, effective from 01st October 2020."

The mandate of Mr. Franz J. Retzer in the Board of Directors expires on the 30th of September 2020. According to the proposal Mr. Franz J. Retzer effective from 1st October 2020 shall be elected as a member of the Board of Directors for a further three-year period, in line with the Deed of Foundation.

Proposal for decision No. 10:

"The general meeting elects Mr. Franz J. Retzer as a member of the Board of Directors for a further three-year period, effective from 01st October 2020."

To the 6th item of the agenda

Election of members of the Supervisory Board

The mandate of Mr. Karl Kraus in the Supervisory Board expires on the 19th of April 2019. According to the proposal Mr. Karl Kraus shall be elected as an independent member of the Supervisory Board for a further three-year period, effective from 26th April 2019, in line with the Deed of Foundation.

Proposal for decision No. 11:

"The general meeting elects Mr. Karl Kraus as a member of the Supervisory Board for a further three-year period, effective from 26th April 2019."

The mandate of Mr. Dr. Miklós Dobák in the Supervisory Board expires on the 01st May 2019. According to the proposal Mr. Dr. Miklós Dobák shall be elected as an independent member of the Supervisory Board for a further three-year period, effective from 01st May 2019, in line with the Deed of Foundation.

Proposal for decision No. 12:

"The general meeting elects Mr. Dr. Miklós Dobák as a member of the Supervisory Board for a further three-year period, effective from 01st May 2019."

The mandate of Mr. József Dénes in the Supervisory Board expires on the 01st of June 2019. According to the proposal Mr. József Dénes shall be elected as an independent member of the Supervisory Board for a further three-year period, effective from 01st June 2019, in line with the Deed of Foundation.

Proposal for decision No. 13:

"The general meeting elects Mr. József Dénes as a member of the Supervisory Board for a further three-year period, effective from 01st June 2019."

The mandate of Mr. János Takács, as employee representative in the Supervisory Board expires on the 01st of June 2019. The works council proposes Mr. Zoltán Marczi to be elected as a member of the Supervisory Board for a three-year period, effective from 01st June 2019, in line with the Deed of Foundation. Since 1989 Mr. Zoltán Marczi has been working for ÉMÁSZ in various positions, currently as regional group leader. His qualification is electricity technician. He is member of the Works Council of the ELMŰ-ÉMÁSZ Company Group.

Proposal for decision No. 14:

"The general meeting elects Mr. Marczi Zoltán as a member of the Supervisory Board for a three-year period, effective from 01st June 2019."

To the 7th item of the agenda

Election of member of the Audit Committee

Together with Mr. József Dénes's mandate in the Supervisory Board, his mandate in the Audit Committee also expires. According to the proposal Mr. József Dénes shall be elected as a member of the Audit Committee until the expiration of his mandate in the Supervisory Board effective from 01st June 2019.

Proposal for decision No. 15:

"The general meeting elects Mr. József Dénes as a member of the Audit Committee, effective from 01st June 2019, until the expiry of his mandate as a Supervisory Board member."

To the 8th item of the agenda

Appointment of the Personally Responsible Auditor

In 2017 the General meeting appointed Mr. Péter Biczó and Mr. András Loós as his deputy as personally responsible auditor from 01st June 2019 until 2020 June 01st. (resolution No. 14/2017. (IV.24.)).

PricewaterhouseCoopers Kft. as auditor of the company informed ÉMÁSZ, that it has changed the nomination of the personally responsible auditor, Mr. Péter Biczó, and instead of him it nominated Ms. Éva Barsi as new personally responsible auditor and also nominated Mrs. Márta Hegedűsné Szűcs as her deputy, instead and Mr. András Loós as former deputy, therefore the former resolution of the General Meeting shall be amended.

Proposal for decision No. 16:

“According to the nomination by the PricewaterhouseCoopers Könyvvizsgáló Kft. (1055 Budapest, Bajcsy-Zsilinszky út 78.; company registration number: 01 09 063022; auditor registration number: 001464) the general meeting resolves to amend its resolution No. 14/2017.(IV.24.) and appoints Ms. Éva Barsi (mother’s name: Jónás Ilona; address: 1163 Budapest, Tiszakömlő u. 45.; auditor registration number: 002945) as personally responsible auditor - instead of Mr. Péter Biczó appointed initially - and appoints Mrs. Márta Hegedűsné Szűcs (mother’s name: Hliva Julianna; address: 1112 Budapest, Rákó u. 57.; auditor registration number: 006838) as her deputy – from 01st June 2019 until 2020 June 01st.”

Report of the Supervisory Board on the agenda

The Supervisory Board has examined the agenda, the presentation of the matter at issue and the proposed resolutions of the annual general meeting of ÉMÁSZ Nyrt. to be held on 26 April 2019 and proposed that the annual general meeting adopts such resolutions.

The resolution proposals and the complete documents to be submitted to the general meeting are available at the headquarters of the ÉMÁSZ Nyrt. and on the following website:

<https://elmuemasz.hu/tarsasagunkrol/rolunk/befektetoknek/emasz/kozlemenyek>

North Hungarian Electricity Supply plc.
Board of Directors