

According to Act V of 2013 on the Civil Code of Hungary (“**Civil Code**”), for the purpose of providing prior information to its shareholders, the Board of Directors of **ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság** (registered office: H-1131 Budapest, Babér u. 1-5; company registration number: 01-10-045985; “**the Company**”) hereby publishes its

proposals for resolution

for the ordinary General Meeting to be held on 26 April 2019, and

the aggregated share and voting right figures.

The Board of Directors proposes the following agenda:

- 1 Decision on the acceptance of the Company’s separate statement (financial statements prepared according to the IFRSs) and business report prepared for the 2018 business year according to the Hungarian accounting rules;
- 2 Decision on the acceptance of the Company’s consolidated annual report and business report prepared for the 2018 business year according to the IFRSs;
- 3 Decision on the acceptance of the separate and consolidated statements of the Board of Directors for the 2018 business year;
- 4 Decision on the acceptance of the corporate governance report prepared by the Board of Directors for submission to the Budapest Stock Exchange;
- 5 Decision on the use of the 2018 profit after taxation;
- 6 Decision on the discharge that can be granted to the Directors of the Company;
- 7 Appointment of an auditor for auditing the 2019 business year of the Company; agreement on the auditor’s fee and the conditions of the engagement;
- 8 Presentation of the Board of Directors on the transactions entered into by the Company for its own shares;
- 9 Extension of the authorization of the Board of Directors to buy the Company’s own shares, expiring on October 24, 2019;
- 10 Authorization of the Board of Directors to adopt decisions on increasing the Company’s share capital;
- 11 Amendment of the Company’s core activity as a result of the outsourcing of the Company’s electricity trading activity;
- 12 Amendment of the Company’s Articles of Association with regard to the above decisions;

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I Proposals for resolution:

For agenda item 1:

Decision on the acceptance of the Company’s separate statement (financial statements prepared according to the IFRSs) and business report prepared for the 2018 business year according to the Hungarian accounting rules.

Concurrently with this proposal, the Board of Directors publishes the statement of financial position for the Company’s business year ending on December 31, 2018, along with its separate statement and business report prepared in line with the provisions of the Accounting Act applicable to entities preparing their annual report according to the EU IFRSs, as well as the related reports of the auditor, the Supervisory Board and the Audit Committee.

Proposal for resolution 1:

The Board of Directors proposes to the General Meeting to accept the statement of financial position proposed by the Company’s auditor for the Company’s business year ending on December 31, 2018, along with the separate statement (statement of financial position total: HUF 13,626,857 thousand and comprehensive income: HUF 407,512 thousand) and business report prepared in line with the provisions of the Accounting Act applicable to entities preparing their annual report according to the EU IFRSs, as well as the relevant written reports of the auditor, the Audit Committee and the Supervisory Board.

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For agenda item 2:

Decision on the acceptance of the Company's consolidated annual report and business report prepared for the 2018 business year according to the IFRSs.

Concurrently with this proposal, the Board of Directors publishes the Company's consolidated annual report and business report for the 2018 financial year, prepared according to the IFRSs, along with the related reports of the auditor, the Supervisory Board and the Audit Committee.

Proposal for resolution 2:

The Board of Directors proposes to the General Meeting to accept the statement of financial position proposed by the Company's auditor for the Company's business year ending on December 31, 2018, along with its consolidated statement (comprehensive income: HUF 240,447 thousand and total assets: HUF 22,859,098 thousand) and business report prepared in accordance with the IFRSs, as well as the relevant written reports of the auditor, the Audit Committee and the Supervisory Board.

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For agenda item 3:

Decision on the acceptance of the separate and consolidated statements of the Board of Directors for the 2018 business year.

The Board of Directors of the Company has prepared the Company's separate and consolidated business reports for 2018, which it publishes concurrently with this proposal.

Proposal for resolution 3:

Based on the above, the Board of Directors proposes to the General Meeting to approve the separate business report on the Company's operation in 2018 submitted by the Board of Directors.

Proposal for resolution 4:

Based on the above, the Board of Directors proposes to the General Meeting to approve the consolidated business report on the Company's operation in 2018 submitted by the Board of Directors.

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For agenda item 4:

Decision on the acceptance of the corporate governance report prepared by the Board of Directors for submission to the Budapest Stock Exchange.

Based on the recommendations of the Budapest Stock Exchange Ltd., the Board of Directors has prepared, and publishes concurrently with this proposal, the Company's corporate governance report, which the Company's Supervisory Board proposes to accept.

Proposal for resolution 5:

Based on the above, the Board of Directors proposes to the General Meeting to approve the corporate governance report on the Company's operation in 2018 submitted by the Board of Directors.

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For agenda item 5:

Decision on the use of the 2018 profit after taxation.

Proposal for resolution 6:

The Board of Directors proposes to the General Meeting to pay HUF 250,068,416 as dividend from the free retained earnings (dividend fund) supplemented by the profit after taxation of the Company in the previous business year – calculated according to Section 39(3a) of Act C of 2000 on Accounting – and the subsidiary

dividends established after 2018, which corresponds to HUF 16 gross per share at the time of the publication of this proposal (excluding own shares owned by the Company). Furthermore, the Board of Directors proposes that the General Meeting authorize the Board of Directors to adopt the resolutions specified in Article 18 of the Articles of Association, as well as make any other decisions necessary in relation to the payment of dividends.

The Board of Directors draws the investors' attention to the fact that according to Section 3:298(3) of the Civil Code, dividends on the 2,985,074 shares issued by the Company on March 25, 2019 shall be first due in the business year following the registration of the increase of share capital, that is, in 2019, and these shares shall be disregarded – in the same way as the own shares owned by the Company – when calculating the dividend per share during the distribution of the profit of the year 2018.

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For agenda item 6:

Decision on the discharge that can be granted to the Directors of the Company.

Proposal for resolution 7:

The Board of Directors proposes to the General Meeting to establish that in the 2018 business year, the Board of Directors performed its activities focusing on the interests of the Company, and therefore, based on Article 12.2(s) of the Articles of Association, the General Meeting should grant the Board of Directors the discharge mentioned in Section 3:117(1) of the Civil Code, according to the conditions included in that Section.

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For agenda item 7:

Appointment of an auditor for auditing the 2019 business year of the Company; agreement on the auditor's fee and the conditions of the engagement.

The Board of Directors proposes the discussion of this agenda item at the General Meeting after hearing the recommendation of the Audit Committee.

The Board of Directors proposes to the General Meeting that after obtaining the recommendation and favorable opinion of the Audit Committee, the General Meeting should reappoint Deloitte Könyvvizsgáló és Tanácsadó Korlátolt Felelősségű Társaság (Deloitte Auditing and Consulting Ltd.; registered office: H-1068 Budapest, Dózsa György út 84/C; company registration number: 01-09-071057; registration number with the Chamber of Hungarian Auditors: 000083) as the permanent auditor of the Company, for the period from April 26, 2019 until the date of adoption of the General Meeting's resolution on the report for the business year ending on December 31, 2019 but no later than May 31, 2020. The Board of Directors proposes the appointment of dr. Attila Hruba (mother's name: Katalin Szerdahelyi; address: H-1174 Budapest, Ósrepülő utca 21. Fsz. 2; registration number with the Chamber of Hungarian Auditors: 007118) as the auditor personally responsible for the Company's audit.

Proposal for resolution 8:

The Board of Directors proposes to the General Meeting to appoint Deloitte Könyvvizsgáló és Tanácsadó Korlátolt Felelősségű Társaság (Deloitte Auditing and Consulting Ltd.) and dr. Attila Hruba as the permanent auditors of the Company, as suggested in the proposal, for an annual fee of HUF 6,300,000 + VAT and for the fixed period specified in the proposal, as well as to authorize the CEO to make a decision on the other conditions of their engagement and to enter into a contract for professional services with them.

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For agenda item 8:

Presentation of the Board of Directors on the transactions entered into by the Company for its own shares.

The Company launched an employee share award program, the details of which can be read in the Company's announcement published on the Company's official disclosure media on June 15, 2018. In order to acquire the shares providing the coverage for this share award program, the Company announced a share repurchase program for 2018 (hereinafter: "**Program**"), the details of which are also available in the above-mentioned announcement. The Board of Directors of the Company extended the Program until March 14, 2019. Until March 14, 2019, the Company acquired a total of 14,818 ALTEO ordinary shares under the Program, for which it paid a total amount of HUF 10,053,840 (that is, ten million fifty-three thousand eight hundred forty forints). The ALTEO ordinary shares acquired in the Program account for 0.09% of the share capital. Based on the authorization of the Board of Directors of the Company, in December 2018, the CEO selected the employees to be rewarded by the Company in the employee share award program. As a result, in January and February 2019, the Company distributed a total of 13,298 ALTEO ordinary shares to the employees who became eligible based on the Company's recognition system and the CEO's decision.

The Company currently owns a total of 771,924 ALTEO ordinary shares, which will be used for implementing the remuneration policy of the ALTEO MRP Organization, approved by the General Meeting.

Proposal for resolution 9:

The Board of Directors proposes to the General Meeting to acknowledge and accept the information provided by the Board of Directors regarding the transactions involving the Company's own shares.

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For agenda item 9:

Extension of the authorization of the Board of Directors to buy the Company's own shares, expiring on October 24, 2019.

The Board of Directors hereby informs the General Meeting that the authorization of the Board of Directors to buy the Company's own shares – granted to the Board of Directors in the General Meeting's Resolution No. 12/2018 (IV.20.) – will expire on October 24, 2019. The Board of Directors requests the General Meeting to issue a new authorization for acquiring own shares, for a period of 18 (eighteen) months from this day. The acquisition of own shares is necessary to ensure that

- the Company can operate the share-based incentive schemes launched in 2018; or
- the Company can exercise and perform certain contractual rights and obligations (e.g. options); or
- the Company can protect the shareholders from the negative consequences of a large package of shares potentially entering the market, and that the Company can acquire a large package of shares; or
- the own shares can be used for the purpose of acquisition, as consideration; or
- the Company can use its own shares for the purpose of providing funding or security, or for developing other investment schemes.

For the above reasons, the Board of Directors proposes to the General Meeting to provide the opportunity for buying the shares issued by the Company by authorizing the Board of Directors to enter into such transactions according to the following conditions.

Proposal for resolution 10:

The Board of Directors proposes to the General Meeting to provide the Board of Directors with an authorization for a period of 18 (eighteen) months beginning on the day of the General Meeting, to adopt a resolution on the acquisition by the Company of the ownership of shares of all types and classes and of any face value, issued by the Company – supported by at least three quarters of the votes that can be cast by the members of the Board of Directors – and to enter into and perform such transactions for and on behalf of the Company, or to engage a third party for the conclusion of such transactions. The Board of Directors proposes that the number of shares that can be acquired based on the authorization should be equal to a number of

shares with a total face value of no more than twenty-five per cent of the share capital, and the total face value of own shares owned by the Company may not exceed this rate at any time. The Company's own shares can be acquired for or without consideration, on the stock market and through public offering, or – unless the possibility is excluded by the law – in over-the-counter trading. In the event of acquiring own shares for consideration, the minimum and maximum consideration payable for one share should be HUF 1 (one forint) and HUF 1,500 (one thousand five hundred forints), respectively.

Furthermore, the Board of Directors proposes to the General Meeting to extend the above authorization also to include share purchases by the Company's subsidiaries so as to enable the Company to authorize the management of any subsidiary of the Company by means of resolutions of the members or shareholders (resolutions adopted by the members' meeting or the general meeting) to acquire the shares issued by the Company according to a resolution adopted by the Board of Directors under the above authorization.

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For agenda item 10:

Authorization of the Board of Directors to adopt a decision on increasing the Company's share capital.

In its previous Resolutions Nos. 3/2012 (VII.26.), 3/2013 (VIII.26.) and 14/2014 (IV.16.), and more recently, in its Resolution No. 3/2015 (XI.10.), the General Meeting authorized the Board of Directors to increase the Company's share capital. Based on the latter, currently effective authorization granted by the General Meeting – which authorized the management to increase the share capital by HUF 110,000,000, calculated at the face value of the shares issued by the Company, within five years – the Board of Directors decided on the following increases of the share capital: an increase with a total face value of HUF 7,318,000 on March 3, 2016; an increase with a total face value of HUF 29,999,200 on October 20, 2016 and an increase of a total face value of HUF 37,313,425 on March 21, 2019, that is, it decided on share capital increases of a total amount of HUF 74,630,625. Considering that the authorization granted by the General Meeting will expire next November, and that the Board of Directors considers the amount remaining from the General Meeting's authorization after the three share capital increases insufficient for achieving the further fund-raising targets, the Board of Directors proposes the authorization to be renewed as follows:

Proposal for resolution 11:

The Board of Directors proposes to the General Meeting to grant an authorization to the Board of Directors – concurrently with repealing Resolution No. 3/2015 (XI.10.) of the General Meeting – to increase the Company's share capital by a maximum amount of HUF 150,000,000 – calculated on the basis of the face value of the shares issued by the Company. The Board of Directors proposes that the authorization should be valid for five years from April 26, 2019, and that it should cover all cases and means of share capital increase – as set out in the Civil Code – as well as the restriction or exclusion of exercising preferential rights regarding subscription for and takeover of the shares.

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For agenda item 11:

Amendment of the Company's core activity as a result of the outsourcing of the Company's electricity trading activity.

As the first step of the program aimed at the transformation of the corporate structure outlined at the extraordinary General Meeting of the Company held on November 8, 2017, ALTEO Energiakereskedő Zrt. obtained an operating permit for electricity trading, and the Company successfully transferred its electricity trading operations – including in particular the related user portfolio and wholesale contracts – to ALTEO Energiakereskedő Zrt. with January 1, 2018 as the reporting date, according to the contract for the transfer of business line entered into by the Company and ALTEO Energiakereskedő Zrt. in November 2017. In view of the above, on January 1, 2018, the Company discontinued its electricity trading operations, and therefore did not extend its operating permit for electricity trading that expired on September 19, 2018. The Board of Directors proposes to the General Meeting to change the core activity of the Company under this agenda item as follows, to bring it in alignment with the Company's actual activity.

Proposal for resolution 12:

The Board of Directors proposes to the General Meeting to change the core activity of the Company to “Engineering services and related technical consulting services” (TEÁOR 7112).

For agenda item 12:

Amendment of the Company’s Articles of Association with regard to the engagement of the auditor and the changing of the main activity.

Based on the resolutions adopted regarding agenda items 7 and 11 above, it is necessary to amend Articles 5 and 15 of the Company’s Articles of Association to reflect the changes in legislation and to prepare the consolidated version of the Articles of Association containing the amendments. In order to inform the honoured shareholders, the Company publishes the draft Articles of Association concurrently with this proposal for a resolution.

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II The aggregated share and voting right figures:

The Company hereby publishes the aggregated figures for its shares existing at the time of convening the General Meeting, as well as the related voting rights.

Share series	Face value (HUF/share)	Number of shares issued	Total face value (HUF)
Ordinary shares of series “A”	12.5	19,386,274	235,012,625
Amount of share capital			235,012,625

Number of votes per share:

Share series	Number of shares issued	Number of own shares without voting rights	Number of own shares with voting rights	Voting right per share	Total voting rights
Ordinary shares of series “A”	19,386,274	771,924	18,614,350	1	18,614,350
Total	19,386,274	771,924	18,614,350	1	18,614,350

Budapest, April 5, 2019

Yours sincerely,

the Board of Directors of ALTEO Nyrt.

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