



**SUMMARY OF THE PROSALS AND THE PROPOSED RESOLUTIONS REGARDING
THE AGENDA ITEMS OF THE GENERAL MEETING**

**CIG PANNONIA LIFE INSURANCE PLC.
FOR THE ANNUAL GENERAL MEETING TO BE HELD ON
17th APRIL 2019**

Date of the Annual General Meeting: 17 April 2019 (Wednesday) at 10 a.m.

Place of the Annual General Meeting: the registered seat of the Company
(address: 1033 Budapest, Flórián tér 1.)



Dear Shareholders!

The Board of Directors of CIG Pannonia Life Insurance Plc. (hereinafter the "Company") convened the Annual General Meeting for 10 a.m. on 17th April 2019. The agenda is included in the Notice of the invitation to the Annual General Meeting that was announced according to Article VIII. 8. of the Company's Articles of Association. The Notice of the invitation to the Annual General Meeting was published on the Company's website (www.cigpannonia.hu), on the website operated by the National Bank of Hungary (www.kozzetetelek.hu) and on the website of the Budapest Stock Exchange Private Company Limited by Shares (www.bet.hu) on 14th March 2019.

After the publication of the announcement, none of the shareholders exercised his/her right - according to the 3:259. § (2) of the Act V of 2013 on the Civil Code - to request additional items for the agenda of the General Meeting.

According to the legislation the Board of Directors publishes the proposed resolutions on the agenda items.

The Board of Directors convenes the Annual General Meeting with the following agenda items:

- 1.a) Discussion of the report of the Audit Committee in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year.
- 1.b) Discussion of the report of the Supervisory Board in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year.
- 1.c) Discussion of the report of the registered auditor in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year.
- 1.d) Discussion of the report of Board of Directors in connection with the Company's annual report in accordance with the Company's separate consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year.
- 1.e) Decision on the Company's annual report in accordance with the Company's separate financial statements in accordance with international financial reporting standards (EU IFRS).
- 1.f) Decision on the use of the after tax profit of 2018.
- 1.g) Decision on the Company's annual report in accordance with the Company's consolidated financial statements in accordance with international financial reporting standards (EU IFRS).
2. Decision on the approval of the corporate governance report.



3. Decision on the release from liability to be granted to the executive officers.
- 4.a) Decision on the reduction of the share capital of the Company from 3.777.130.400 HUF to 3.116.132.580 HUF through the decrease of the nominal value of 40 HUF of the shares in order to the distribution of capital.
- 4.b) Decision on the payment of capital contribution.
- 5.) Decision on the amendment of the Articles of Association (regarding the modification of the amount of the share capital and the nominal value of the shares).
- 6.) Authorisation for the Board of Directors to the purchase of own shares.
- 7.) Decision on the approval of the amended rules of procedure of the Supervisory Board.
- 8.) Decision on the election of the members of the Supervisory Board.
- 9.) Decision on the election of the member of the Audit Committee.
- 10.) Decision on the election of the members of the Board of Directors.
- 11.) Decision on the remuneration of the members of the Supervisory Board.
- 12.) Decision on the remuneration of the members of the Audit Committee.
- 13.) Decision on the remuneration of the members of the Board of Directors.
- 14.) Information on the Company's own shares.
- 15.a) Information on the implementation of the remuneration guidelines.
- 15.b) Decision on the amendment of remuneration guidelines.

This document contains the summary of the proposals and the proposed resolutions regarding to the agenda items of the General Meeting. After studying this document the Esteemed Shareholders receive detailed information on the agenda items of the General Meeting. The Repeated General Meeting convened as a result of lack of quorum shall have quorum for all issues included in the original agenda with the summary of the submissions and proposals for decisions published in this document.

The detailed conditions of attending the annual General Meeting and the Repeated General Meeting are included in the Notice of the invitation of the General Meeting.

Disclaimer: All information contained within this document is for information purposes only, and shall not be considered an official translation of the official communication referred to herein. This document does not include the integral wording of the official communication referred to herein, the original Hungarian language version of it remains to be the solely legally binding material in the subject matter. For further information, please do not hesitate to contact us.



**AGENDA ITEM no. 1.
CLOSING OF THE 2018 BUSINESS YEAR**

**AGENDA ITEM no. 1.
A)**

Discussion of the report of the Audit Committee in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year

SUMMARY OF THE PROPOSAL

The proposal regarding to this item of the agenda is the same as the report of the Audit Committee in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for business year 2018. The Company is going to publish the report the 1th of April 2019.

PROPOSED RESOLUTION

Having regard that the General Meeting does not have to pass a resolution on this report of the registered auditor, the Board of Directors does not submit a resolution proposal regarding to agenda item 1/A.



**AGENDA ITEM no. 1.
B)**

Discussion of the report of the Supervisory Board in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year

SUMMARY OF THE PROPOSAL

The proposal regarding to this item of the agenda is the same as the report of the Supervisory Board in connection with the Company's annual report in accordance with Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for business year 2018. The Company is going to publish the report the 1th of April 2019.

PROPOSED RESOLUTION

Having regard that the General Meeting does not have to pass a resolution on this report of the Supervisory Board, the Board of Directors does not submit a resolution proposal regarding to agenda item 1/B.



AGENDA ITEM no. 1.

C)

Discussion of the report of the registered auditor in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year

SUMMARY OF THE PROPOSAL

The proposal regarding to this item of the agenda is the same as the report of the registered auditor in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for business year 2018. The Company is going to publish the report the 1th of April 2019.

PROPOSED RESOLUTION

Having regard that the General Meeting does not have to pass a resolution on this report of the registered auditor, the Board of Directors does not submit a resolution proposal regarding to agenda item 1/C.



**AGENDA ITEM no. 1.
D)**

Discussion of the report of Board of Directors in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2018 business year

SUMMARY OF THE PROPOSAL

The proposal regarding to this item of the agenda is the same as the report of the Board of Directors in connection with the Company's annual report in accordance with the Company's separate and consolidated financial statements in accordance with international financial reporting standards (EU IFRS). The Company is going to publish the report the 1th of April 2019.

The Supervisory Board supports the approval of the proposed resolutions.

PROPOSED RESOLUTIONS

Having regard that the General Meeting does not have to pass a resolution on the report of the Board of Directors the Board of Directors does not submit a resolution proposal regarding to the first part of the agenda item 1/D.



**AGENDA ITEM no. 1.
E)**

Decision on the Company's annual report in accordance with the Company's separate financial statements in accordance with international financial reporting standards (EU IFRS)

SUMMARY OF THE PROPOSAL

The proposal regarding to this item of the agenda is the same as the Company's annual report prepared in accordance with the Company's separate financial statements in accordance with international financial reporting standards (EU IFRS). The Company is going to publish the report the 1th of April 2019.

The Board of Directors makes proposal on the use of the profit after tax in the next agenda item.

The Board of Directors makes proposal on the use of the after tax profit in the next agenda item.

PROPOSED RESOLUTIONS

*The General meeting approves the Company's audited annual report in accordance with the Company's separate financial statements for the financial year 2018, prepared according to the international financial reporting standards (EU IFRS), in which the amount of total assets equalling to the amount of total liabilities is **THUF 99 466 642** and the profit after tax is a **THUF 1 243 204** profit, the total comprehensive income is **THUF 331 430**.*



AGENDA ITEM no. 1.

F)

Decision on the use of the profit after tax of 2018

SUMMARY OF THE PROPOSAL

The Board of Directors held a meeting the 11th March 2019 whereas the body has proposed regarding the profit after tax that the Company shall not pay dividend after the result of year 2018 instead the total amount of the profit after tax shall be transferred to the retained earnings. At the same time the Board of Directors has proposed the reduction of the share capital through the decrease of the nominal value of the shares in order to the distribution of capital. The reduction of the share capital shall serve the purpose of paying capital contribution to the shareholders which can be provided in a more favourable way than dividend.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

*The General Meeting decides that the Company shall not pay dividend after the result of the year of 2018. The total amount of the profit after tax, altogether **1 243 204 THUF**, is to be transferred to the retained earnings.*



**AGENDA ITEM no. 1.
G)**

Decision on the Company's annual report in accordance with the Company's consolidated financial statements in accordance with international financial reporting standards (EU IFRS)

SUMMARY OF THE PROPOSAL

The proposal regarding to this item of the agenda is the same as the Company's annual report prepared in accordance with the Company's consolidated financial statements in accordance with international financial reporting standards (EU IFRS). The Company is going to publish the report the 1th of April 2019.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

*The General Meeting approves the Company's annual report in accordance with the Company's, consolidated financial statements for the financial year 2018 prepared according to the international financial reporting standards accepted by the European Union in which the amount of total assets equalling to the amount of total liabilities is **THUF 110 776 225**, the profit after tax is a **THUF 2 054 593** profit, and the total comprehensive income is a **THUF 1 009 868**.*



AGENDA ITEM no. 2.

Decision on the approval of the corporate governance report

SUMMARY OF THE PROPOSAL

In accordance with the Subsection (1) of the Section 3:289 of the Civil Code the Board of Directors of public limited companies shall submit to the Annual General Meeting the corporate governance report prepared in compliance with the regulation on stock exchange participants.

In the corporate governance report the Board of Directors summarizes the corporate governance practices applied by the Company in the previous financial year, and declares the differences to the Corporate Governance Recommendations of the Budapest Stock Exchange.

Given that the shares of the Company has been listed on the Budapest Stock Exchange on 8 November 2010, the Board of Directors of the Company submits the corporate governance report prepared – and approved by the Supervisory Board of the Company - in compliance with the regulation on exchange participants to the annual general meeting for the seventh time this year.

Related to the corporate governance report the Board of Directors informs the Honourable Shareholders that companies listed on the stock exchange are required to express their views on their corporate governance practices in two ways. **In the first part** of the corporate governance report they have to give an accurate, comprehensive and easily comprehensible account of the corporate governance practices applied by their company in the given business year, including their corporate governance policy, and a description of any unusual circumstances. **In the second part** of the statement, in accordance with the "comply or explain" principle, they have to indicate their compliance with those recommendations included in specified sections of the Recommendations ("R" - recommendation) and whether they apply the different suggestions formulated in the Recommendations ("S" - suggestion). If the practice followed by the limited company is identical with that included in the section of the Corporate Governance Recommendations of the Budapest Stock Exchange that is designated as a recommendation, this is to be indicated by the answer YES. If the limited company does not apply the recommendation or applies it in a different manner, an explanation of what the discrepancies are and the reasons for the said discrepancies should be provided ("comply or explain" principle). In the case of suggestions, companies shall only indicate whether they apply the given guideline or not; there is no possibility for a specific explanation.

The new recommendation of the Corporate Governance Committee of the Budapest Stock Exchange entered into force on 1 August 2018. Based on the recommendation the Company started to revise its principles of operation.

The corporate governance report prepared by the Board of Directors in accordance with the new recommendations and approved by the Supervisory Board as described above is attached as Annex I, an integral part of this document.



The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting approves the corporate governance report for 2018 prepared according to the Corporate Governance Recommendations of Budapest Stock Exchange Ltd. and approved formerly by the Company's Supervisory Board.



AGENDA ITEM no. 3.

Decision on the release from liability to be granted to the executive officers

SUMMARY OF THE PROPOSAL

According to the Article VIII. 5. of the Articles of Association and in compliance with the Paragraph (1) of Section 3:117 of the Civil Code the Annual General Meeting shall put on its agenda – at the request of the executive officer and together with the decision on the approval of the financial statements - the evaluation of the work of the executive officers performed in the previous business year and pass a resolution on the waiver (discharge) that may be granted to the Board of Directors. By granting a waiver the General Meeting verifies that the members of the Board of Directors have performed their work in the financial year 2018 under review by giving priority to the interests of the company.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting – under the Article VIII. 5. of the Articles of Association – approves the work of the members of the Board of Directors performed in the business year 2018 and grants waiver to the members of the Board of Directors under the Paragraph (1) of Section 3:117 of the Civil Code. By granting a waiver the General Meeting verifies that the members of the Board of Directors have performed their work in the period under review by giving priority to the interests of the company.



AGENDA ITEM no. 4.

a)

Decision on the reduction of the share capital of the Company from 3.777.130.400 HUF to 3.116.132.580 HUF through the decrease of the nominal value of 40 HUF of the shares in order to the distribution of capital

SUMMARY OF THE PROPOSAL

Within the scope of this agenda item the Company decides on the reduction of the share capital, which shall decrease from 3.777.130.400 HUF to 3.116.132.580 HUF. The reason of the proposed transaction is the distribution of capital. The Company's assets in excess of the share capital shall be reduced as well in the proportion of the reduction of the share capital in accordance with paragraph 3:309 § (2) of the Hungarian Civil Code.

The prerequisite of passing a resolution on the reduction of the share capital is that the shareholders of dematerialized, registered, voting, series "A" ordinary shares of a nominal value of 40 HUF attending the General Meeting shall give their explicit consent to the reduction of the share capital in accordance with paragraph 3:309 § (5) of the Hungarian Civil Code and the provisions of part XII/9 of the Articles of Association.

The implementation of the reduction of the share capital is the reduction of the nominal value of the shares set forth in paragraph 3:310 § (2) of the Hungarian Civil Code which shall result in the decrease of the nominal value of the dematerialized, registered, voting, series "A" ordinary shares from 40 HUF to 33 HUF.

The reduction of the share capital shall serve the purpose of providing remuneration to the shareholders in a more favourable way than dividend payment. According to the relevant accounting laws and regulations dividend can be paid only from the retained earnings while in case of the reduction of the share capital payment can be fulfilled both from the retained earnings and as well as the capital reserve to the shareholders. The Company's equity capital was THUF 17 245 623 on the 31th of December 2018, the capital contribution to be paid to the shareholders is 17,5 per cent of this amount.

The Company is about to use its own shares in accordance with the previous resolutions of the general meeting for the share option programme until the record date of the General Meeting in order that the own shares do not impede the implementation of the reduction of the nominal value of the shares. The Company is going to publish the related decision on the same day of passing of it, before the General Meeting takes place.

The Company further on draws the shareholders' the attention that due to the reduction of the share capital it is necessary to do an exchange of the dematerialized, "A" series ordinary shares which shall be carried out by Keler Zrt. after the company court registry of the reduction of the share capital in accordance with the relevant laws and regulations.

The Supervisory Board supports the approval of the proposed resolution.



PROPOSED RESOLUTION

The shareholders of dematerialized, registered, voting, series "A" ordinary shares of a nominal value of 40 HUF give their explicit consent to the proposed reduction of the share capital in accordance with paragraph 3:309 § (5) of the Hungarian Civil Code and the provisions of part XII/9 of the Articles of Association.

In order to the distribution of capital the General Meeting decides on the reduction of the share capital of the Company by 660.997.820 HUF, which results in the diminution of the share capital from 3.777.130.400 HUF to 3.116.132.580 HUF. The Company implements the reduction of the share capital by reducing the nominal value of 94.428.260 pieces of dematerialized, registered, voting, series "A" ordinary shares from 40 HUF to 33 HUF per share (the implementation of the reduction of the share capital is reducing the nominal value of the shares). Regarding the fact that the Company is not in possession of own shares there is no legal impediment of carrying out the abovementioned way of reduction of the share capital. In the case that the prerequisites of the reduction of the share capital are fulfilled, the general meeting shall pass a resolution on the amendment of the Articles of Association with a conditional effect in accordance with paragraph 3:309 § (4) of the Hungarian Civil Code. The resolution is subject to the following agenda item.

The general meeting hereby authorizes the Board of Directors of the Company to fulfil all the duties in connection with the reduction of the share capital through the decrease of the nominal value of the shares, particularly those of the duties set forth in the Hungarian Civil Code and the Company Act (V of 2006). Further on it is necessary to do an exchange of the dematerialized, "A" series ordinary shares which shall be carried out by Keler Zrt. after the company court registry of the reduction of the share capital in full compliance with the relevant laws and regulations



AGENDA ITEM no. 4.

b)

Decision on the payment of capital contribution

SUMMARY OF THE PROPOSAL

The General Meeting of the Company shall pass a resolution on the payment of capital contribution in connection with the decision related to agenda item no. 4. a) that the share capital of the Company is to be reduced in order to the distribution of capital. After the company court registry of the reduction of the share capital the Company shall pay altogether 31,96 HUF per share to those of the shareholders who are registered in the register of shareholders at the time of the Annual General Meeting.

It is inevitable to draw the attention to the fact that the proposed capital contribution can be paid only after the company court registry of the reduction of the share capital. Regarding that before the company registration procedure can take place (i) the fact of the reduction of share capital has to be disclosed by way of public notice two times (the two disclosures shall be made at least thirty days apart), and (ii) the Company's creditors may request for safeguards within a thirty day period from the second disclosure thus the whole procedure may take up to three or four month (in case the none of the creditors requests for safeguard). Presumably the capital contribution can be paid the earliest in August 2019 to those of the shareholders who fully provide upon the request of the Company the document necessary for the payment of the capital contribution.

The Company is going to inform the public in accordance with Article VIII. 8. of the Company's Articles of Association about the exact date of the payment of abovementioned capital contribution and as well as about the other tasks that might occur related thereto.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting decides that after the company court registry of the reduction of the share capital passed within the scope of agenda item no. 4. a), the Company shall pay capital contribution of 31,96 HUF per share to those of the shareholders who are registered in the register of shareholders at the time of the General Meeting. The General Meeting authorizes the Board of Directors of the Company to define the exact date of the payment of the capital contribution with regard to the termination of the company court registration procedure. Further on the General Meeting requests the Board of Directors to inform the shareholders of the Company in accordance with Article VIII. 8. of the Company's Articles of Association about the necessary tasks in connection with the payment of the capital contribution, particularly about the taxation obligations. The authorization covers all of those administrative (both oral and written) tasks related to the payment of the capital contribution.



AGENDA ITEM no. 5.

Decision on the amendment of the Articles of Association (regarding the modification of the amount of the share capital and the nominal value of the shares)

SUMMARY OF THE PROPOSAL

In case the general meeting of the Company passes a resolution on the reduction of the share capital through the decrease of the nominal value of the shares in order to the distribution of capital it is inevitable the amend the Articles of Association accordingly.

The Articles of Association shall amended as follows depending upon the resolution on the agenda item no. 4. a) :

„VI The Company's share capital and shares

1 The amount of the Company's share capital is HUF 3 116 132 580 (that is three billion, one hundred and sixteen million, one hundred and thirty-two thousand, five hundred and eighty Hungarian forints), of which HUF 3,452,325,320 (that is, three billion, four hundred, fifty-two million, three hundred and twenty-five thousand, three hundred and twenty Hungarian forints) are cash contributions provided by the shareholders of the Company before the resolution of the reduction of the share capital was passed by the general meeting the 17th of April 2019 and HUF 324,805,080 (that is, three hundred and twenty-four million, eight hundred and five thousand and eighty Hungarian forints) are in-kind contributions. The description of in-kind contributions is included in Annex 1 of these Articles of Association.

2 The share capital of the Company consists of 94,428,260 pieces (that is, ninety-four million, four hundred and twenty-eight thousand, two hundred and sixty pieces) of dematerialized, registered, voting, series "A" ordinary shares of a nominal value of HUF 33(that is, thirty-tree Hungarian forints).

VII The rights and obligations of shareholders

Each dematerialized, registered, voting, series "A" ordinary share of a nominal value of HUF 33 (that is, thirty-tree Hungarian forints) entitles its shareholder to cast one vote at the General Meeting."

The general meeting may decide on each amendment of the Articles of Association separately or collectively as well. The amendment of the Articles of Association requires two-third of qualified majority of the votes.

The Supervisory Board supports the approval of the proposed resolution.



PROPOSED RESOLUTION

The general meeting intends to pass one resolution on all amendments of the Articles of Association.

The general meeting passes a resolution on the amendment of the Articles of Association as follows:

„VI The Company's share capital and shares

The amount of the Company's share capital is HUF 3 116 132 580 (that is three billion, one hundred and sixteen million, one hundred and thirty-two thousand, five hundred and eighty Hungarian forints), of which HUF 3,452,325,320 (that is, three billion, four hundred, fifty-two million, three hundred and twenty-five thousand, three hundred and twenty Hungarian forints) are cash contributions provided by the shareholders of the Company before the resolution of the reduction of the share capital was passed by the general meeting the 17th of April 2019 and HUF 324,805,080 (that is, three hundred and twenty-four million, eight hundred and five thousand and eighty Hungarian forints) are in-kind contributions. The description of in-kind contributions is included in Annex 1 of these Articles of Association.

The share capital of the Company consists of 94,428,260 pieces (that is, ninety-four million, four hundred and twenty-eight thousand, two hundred and sixty pieces) of dematerialized, registered, voting, series "A" ordinary shares of a nominal value of HUF 33 (that is, thirty-three Hungarian forints).

VII The rights and obligations of shareholders

Each dematerialized, registered, voting, series "A" ordinary share of a nominal value of HUF 33 (that is, thirty-three Hungarian forints) entitles its shareholder to cast one vote at the General Meeting."



AGENDA ITEM no. 6.

Authorisation to the Board of Directors for the purchase of own shares

SUMMARY OF THE PROPOSAL

The Board of Directors of the Company has decided the 29th November 2018 on the establishment of the Employee Stock Ownership Plan (hereinafter: „ESOP”). The reason of the establishment of ESOP is within the scope of the execution of the remuneration guidelines approved by the General Meeting. ESOP has been extended to the employees of CIG Pannonia First Hungarian General Insurance cPlc. as well, 100% subsidiary of the Company. The resources of the remuneration to be allocated through the ESOP are CIGPANNONIA shares thus it is inevitable that the Company is in possession of the authorisation given by the General meeting for the purchase of own shares. The authorization shall also serve the purpose of a potential maintenance of exchange rate of the shares.

The Board of Directors submits the proposal that the general meeting shall give an authorization for the acquisition of dematerialized, registered, voting, series “A” ordinary CIGPANNONIA shares of a nominal value of 40 HUF – it is 30 HUF, in case of passing a resolution on the decrease of the nominal value of the shares within the scope of agenda item no. 4. - on condition that the quantity of the acquirable shares shall be maximum 5 000 000 pieces and the payable consideration shall be minimum 100 HUF and maximum 750 HUF per share. The purchase of own shares cannot prevent the compliance with Solvency II requirements. The duration of the authorization is 18 months as from the day of the resolution of the general meeting.

Previously, the 24th of April 2017 the general meeting of the Company has given an authorization with its resolution number 15 for the acquisition of own shares. The duration of the authorization was 18 month as from the day of the resolution of the general meeting, thus it has expired the 24th of October 2018.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The general meeting gives an authorization to the Board of Directors for the acquisition of maximum 5 000 000 pieces of dematerialized, registered, voting, series “A” ordinary CIGPANNONIA shares of a nominal value of 40 HUF – it is 30 HUF, in case of passing a resolution on the decrease of the nominal value of the shares within the scope of agenda item no. 4. - on condition that the quantity of the acquirable shares shall be maximum 5 000 000 pieces and the payable consideration shall be minimum 100 HUF and maximum 750 HUF per share. The purpose of the authorization is to provide a cover for the share option program, the ESOP or to serve the purpose of a potential maintenance of exchange rate of the shares. The purchase of own shares can not prevent the compliance with Solvency II requirements. The duration of the authorization is 18 months as from the day of the resolution of the general meeting.



AGENDA ITEM no. 6.

Decision on the approval of the amended rules of procedure of the Supervisory Board

SUMMARY OF THE PROPOSAL

The Company' General Meeting approved the rules of procedure of the Supervisory Board on 27 April 2018 at last. In the meantime the National Bank of Hungary's recommendation No. 27/2018 (XII.10.) of the internal lines of defence set-up and operation, management and control functions of financial organizations (hereinafter referred to as "supervisory recommendation") have entered into effect.

The rules of procedure of the Supervisory Board has been amended accordingly. It has been completed with provisions of the extended scope of authority, responsibility of the body and the requirements set for the members and the chairman of the Supervisory Board.

The Supervisory Board has accepted the amended rules of procedure on the meeting held on 12 March 2019 and has proposed it for approval for the General Meeting.

The rules of procedure is attached as Annex II.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting approves the rules of procedure of the Supervisory Board that was set on 12 March 2019.



AGENDA ITEM no. 8.

Decision on the election of members of the Supervisory Board

SUMMARY OF THE PROPOSAL

According to section 1 of Chapter X of the Articles of Association a Supervisory Board of minimum three and maximum ten members has to be established at the Company, whose members must be appointed by the General Meeting. The Board of Directors currently consist of six members.

The Remuneration and Nomination Committee is in the opinion that the reorganization of the Supervisory Board is needed regarding the fact that the ownership structure of the Company has significantly changed during 2018. Further on István Papp's membership mandate is going to expire thus it is necessary to discuss on the future of his mandate as well.

The Remuneration and Nomination Committee proposes that the duration of the mandate of re-elected and elected members shall be 3 (that is three) years. The Committee proposes István Papp's re-election for the duration of 3 years. The Committee further on proposes the election of János Tima to the Supervisory Board regarding his curriculum vitae and competencies that are necessary for an efficient and professional controlling position.

The Board of Directors submits the proposal to the General Meeting.

The authorization of the National Bank of Hungary is needed to fill in the Supervisory Board membership. Therefore, the CV of the nominees are attached to the proposal on the election of members of the Supervisory Board as Annex III. The General Meeting accepts decides on the resolutions per person.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting appoints István Papp as a member of the Supervisory Board of the Company for a definite period of three years with the effect from the date of the authorization of the National Bank of Hungary

The General Meeting appoints János Tima as a member of the Supervisory Board of the Company for a definite period of three years with the effect from the date of the authorization of the National Bank of Hungary



AGENDA ITEM no. 7.

Decision on the election of the member of the Audit Committee

SUMMARY OF THE PROPOSAL

According to section 9 of Chapter X of the Articles of Association an Audit Committee of maximum four members has to be established at the Company, whose members must be appointed by the General Meeting from the independent members of the Supervisory Board. The Audit Committee consist of currently three members. The mandate of István Papp is going to expire at the time of the expiry of his Supervisory Board membership. The Remuneration and Nomination Committee has stated during the evaluation of the governing and controlling bodies that the members of the Audit Committee, including István Papp have fulfilled their duties with a high level of professional competence and responsibility. According to the provisions of the Hungarian Insurance Act at least one member of the Audit Committee has to be a certified accountant or auditor. Since István Papp is in possession of such qualification, he meets the requirements of the National Bank of Hungary and as well complies with the legal obligations. The Remuneration and Nomination Committee proposes the re-election of István Papp to the Audit Committee for a three year period regarding the abovementioned reasons.

The Board of Directors submits the proposal to the General Meeting.

The authorization of the National Bank of Hungary is needed to fill in the Audit Committee membership. Therefore, the CV of the nominee is attached to the proposal on the election of members of the Audit Committee as Annex III. The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting appoints István as a member of the Board of Directors of the Company for a definite period of three years with the effect from the date of the authorization of the National Bank of Hungary



AGENDA ITEM no. 10

Decision on the election of the members of the Board of Directors

SUMMARY OF THE PROPOSAL

According to section 2 of Chapter IX of the Articles of Association a Board of Directors of maximum seven members has to be established at the Company, whose members must be appointed by the General Meeting. The Board of Directors consist of currently four members.

The Remuneration and Nomination Committee is in the opinion that the reorganization of the Board of Directors is needed regarding the fact that the ownership structure of the Company has significantly changed during 2018. The Remuneration and Nomination Committee proposes the election of Péter dr. Bogdánffy and István dr. Fedák to the Board of Directors on condition that the mandate of the elected and re-elected members shall be for a definite period of three years. The Committee states that the nominees are suitable for the membership of the Board of Directors according to their professional curriculum vitae and competencies thus proposed to the Board of Directors to submit the proposal to the general meeting.

The authorization of the National Bank of Hungary is needed to fill in the Board of Directors membership. Therefore, the CV of the nominees is attached to the proposal on the election of members of the Board of Directors as Annex IV. The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting appoints Péter dr. Bogdánffy as a member of the Board of Directors of the Company for definite period of three years with the effect from the date of the authorization of the National Bank of Hungary

The General Meeting appoints István dr. Fedák as a member of the Board of Directors of the Company for a definite period of three years with the effect from the date of the authorization of the National Bank of Hungary



AGENDA ITEM no. 11

Decision on the remuneration of the members of the Supervisory Board

SUMMARY OF THE PROPOSAL

Last time the annual general meeting of The Company held on 27 April 2018 decided on the remuneration of the Supervisory Board. Resolution No. 20/2018 (IV.27.) laid down that those members of the Supervisory Board who have employment contracts with the Company, still shall not receive any remuneration. Those members of the Board of Directors who are not employed by the Company, shall receive a remuneration of HUF 300,000 (gross) per sessions. The Chairman of the Supervisory Board if he/she does not have employment contract with the Company shall receive a remuneration of HUF 600,000 (gross) per sessions. Not more than six meetings per year entitles for remuneration.

The Remuneration and Nomination Committee decided on the remuneration for board membership on its meeting held on 11 March 2019 and made a proposal on retaining the remuneration for members of each boards according to the previously established remuneration guidelines. The Supervisory Board proposes this with unchanged content to the General Meeting. The Chairman of the Supervisory Board shall receive a remuneration of HUF 600,000 (gross) per meetings and the other members shall receive HUF 300,000 (gross) per meetings. Not more than six meetings per year entitles for remuneration. Those members of the Supervisory Board who have employment contracts with the Company, shall not receive any remuneration.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting decided that members of the Supervisory Board, who have employment contracts with the Company, still shall not receive any remuneration. Effective from the passing of this resolution, the General Meeting decides that from 2019 those members of the Supervisory Board, who are not employed by the Company, shall receive a remuneration of HUF 300,000 (gross) per session. Not more than six meetings per year entitles for remuneration. The Chairman of the Supervisory Board if he/she does not have employment contract with the Company shall receive a remuneration of HUF 600,000 (gross) per session. Not more than six sessions per year entitles for remuneration.



AGENDA ITEM no. 12.

Decision on the remuneration of the members of the Audit Committee

SUMMARY OF THE PROPOSAL

Last time the annual general meeting of the Company held on 27 April 2018 decided on the remuneration of the Chairman and members of the Audit Committee. Resolution No. 21/2018 (IV.27.) laid down that the members shall receive a remuneration of HUF 150,000 (gross) per meetings and the Chairman of the Audit Committee shall receive a remuneration of HUF 300,000 (gross) per meetings.

The Remuneration and Nomination Committee decided on the remuneration for board membership at its meeting held on 11 March 2019 and made a proposal on retaining the remuneration for members of each boards. The Audit Committee proposes this with unchanged content to the General Meeting. The Chairman of the Audit Committee shall receive a remuneration of HUF 300,000 (gross) per meetings and the other members shall receive HUF 150,000 (gross) per meetings. Not more than six meetings per year entitles for remuneration.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting decides that from 2019 - effective from the passing of this resolution -the Chairman of the Audit Committee of the Company, shall receive a remuneration of HUF 300,000 (gross) per session. Members of the Audit Committee shall receive a remuneration of HUF 150,000 (gross) per session. Not more than six meetings per year entitles for remuneration.



AGENDA ITEM no. 13.

Decision on the remuneration of the members of the Board of Directors

SUMMARY OF THE PROPOSAL

Last time the annual general meeting of the Company held on 27 April 2018 decided on the remuneration of the Chairman and members of the Board of Directors. Resolution No. 19/2018 (IV.27.) laid down that the members shall receive a remuneration of HUF 300,000 (gross) per session and the Chairman of the Board of Directors shall receive a remuneration of HUF 600,000 (gross) per session.

The Remuneration and Nomination Committee decided on the remuneration for board membership at its meeting held on 11 March 2019 and made a proposal on retaining the remuneration for members of each boards. The Board of Directors proposes this with unchanged content to the General Meeting. The Chairman of the Board of Directors shall receive a remuneration of HUF 600,000 (gross) per meetings and the other members shall receive HUF 300,000 (gross) per meetings. Not more than six meetings per year entitles for remuneration.

The Supervisory Board supports the approval of the proposed resolution.

PROPOSED RESOLUTION

The General Meeting decides that with the effect from 2019 passing this resolution the Chairman of the Board of Directors of the Company, shall receive a remuneration of HUF 600,000 (gross) per session. Members of the Board of Directors shall receive a remuneration of HUF 300,000 (gross) per session from 2019. Not more than six meetings per year entitles for remuneration.



AGENDA ITEM no. 14.

Information on the Company's own shares

SUMMARY OF THE PROPOSAL

The reduction of the share capital decided by the Extraordinary General Meeting of the Company in 2017 was registered by the company court in January 2018, thus after the transformation of the Company's 133 333 pieces of "B" series interest-bearing own shares and 200 000 pieces of "C" series interest-bearing own shares into ordinary shares, the Company has withdrawn the transformed shares.

The general meeting of the Company has passed the resolution No. 8/2016. (IV. 29.) the 29th of April 2016 on the approval of the remuneration guidelines. Within the scope of the share option program establish according to the remuneration guidelines, two members of the Board of Directors of the Company and two other non-executive employees have purchased in 2018 by an OTC deal a total number of 390.000 CIG Pannonia ordinary shares from CIG Pannonia Life Insurance Plc. at the price of 210 HUF per share. Shares were covered by the Company's own shares, the number of which have reduced to 714,006 as a result of the transaction. The general meeting of the Company held on the 24th of April 2017 has given an authorization with its resolution number 15 for the acquisition of own shares.

The Company is about to use its own shares in accordance with the resolutions of the previous general meetings for the purpose of share option program until the record date of the Annual General Meeting so that the Company's own share do not prevent the implementation of the reduction of the nominal value of shares. The relevant resolution shall be published on the day of passing on it, before the General Meeting takes place.

The General Meeting shall not decide on this information, so the Board of Directors proposes no resolution.



AGENDA ITEM no. 15
A).

Information on the implementation of remuneration guidelines

SUMMARY OF THE PROPOSAL

The General Meeting of the Company approved the remuneration guidelines on its meeting held on 29 April 2016 with its resolution No. 8/2016. (IV. 29.). One part of it was the proposal of the Remuneration and Nomination Committee on a share option program for the CEO and Deputy CEOs of the Company and for the CEO of the Company's affiliate company in order that the executives have even more interest in the long-term rise of the value of the Company and in the favourable trend of the exchange rate.

The General Meeting extended the share option program within the management interest system with a three years period with its resolution No. 16/2017. (IV. 24.).

The Remuneration and Nomination Committee has reviewed the remuneration guidelines on 11 March 2019 and stated that the Company's and its affiliate company's remuneration practice of 2018 was in compliance the remuneration guidelines approved by the General Meeting. The Committee further on stated that the remuneration guidelines serve the growth of the companies, they function as an appropriate inspiration and interest system.

The Board of Directors has established the Employee Stock Ownership Plan (hereinafter: „ESOP”) in order to the implementation of the remuneration guidelines. The Company is planning to transfer in 2019 its own shares to the ESOP and later on to ask for authorization for the acquisition of own shares according to agenda item no. 6. in order to transfer them to the ESOP.

The General Meeting shall not decide on this information, so the Board of Directors proposes no resolution.



**AGENDA ITEM no. 15
B).**

Decision on the amendment of remuneration guidelines

SUMMARY OF THE PROPOSAL

The Remuneration and Nomination Committee stated at the meeting held on 11th March 2019 that the labour contract of the employees having a management function at the Company doesn't contain any anti-market competition provisions. The Committee considers it as a risk factor thus proposes the completion of those labour contracts with the provisions that upon the termination of the employment the employee shall not fulfil any position for a definite period at any employer that has the same scope of activity as the Company whereas the employee is entitled for remuneration according to paragraph 228 § of Hungarian Labour Code.

The amended remuneration guidelines are attached as Annex V.

The Supervisory Board supports the approval of the proposed resolution.

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The General Meeting has decided on the amendment of the remuneration guidelines as follows.

The General Meeting orders the completion of the labour contracts of the employees having a management position at the Company that upon the termination of the employment the employee shall not fulfil any position for a definite period of one year at any employer that has the same scope of activity as the Company. The employee is entitled for remuneration according to the provision of the Hungarian Labour Code. The completion of the labour contracts serve the purpose of anti-market competition.



Annexes

ANNEX I Corporate Governance Report

ANNEX II Rules of procedure of the Supervisory Board

ANNEX III Professional CV-s of the nominees to the Supervisory Board membership

- a) István Papp
- b) János Tima

ANNEX IV Professional CV-s of the nominees to the Board of Directors membership

- a) dr. Péter Bogdánffy
- b) dr. István Fedák

ANNEX V Remuneration guidelines