

20 July 1999

Resolutions of the Extraordinary General Meeting of MOL Hungarian Oil and Gas Plc. held on 19 July, 1999

MOL Hungarian Oil and Gas Plc. held its extraordinary general meeting on the 19th of July, 1999 where % of the voting shares were present. The EGM has approved the following resolutions:

- The EGM has approved the resignation of Mssrs. János Szitó and Gábor Baranyai from their position as members of the Board of Directors and at the same time elected Mr. György Mosonyi, Chief Executive Officer as a new member of the Board of Directors for a period ending with the 24th of February, 2004.
- The EGM elected Mr. György Mosonyi as Chief Executive Officer of MOL.
- The EGM elected Mr. Zsolt Incze as member of the Supervisory Board for a period ending with the 24th of February 2004.
- The EGM approved the amendment of the Articles of Association of the Company - in line with certain provisions of the Regulation for Listing, Continued trading and Disclosure of the Budapest Stock Exchange which was amended on the 27th of July, 1998 and became effective on the 30th of July, 1998 as follows:

A new sub-section 12 is to be added to section 12 of the Articles:

12.12 The general meeting shall only decide in accordance with section 12.2.j of the Articles, if a group of shareholders undertakes, in advance, the obligation to submit a public offer to purchase the shares of those shareholders, who had not voted in favour of a resolution concerning the de-listing of the shares."

Sub-section 24.1 of the Articles is added a new sentence:

24.1

"The starting date for the payment of dividends shall be defined by the Board of Directors in such way as to ensure a period of at least 20 business days elapsing between the date of such resolution and the starting day of dividend payment."

Authorisation to purchase treasury shares

The resolution approved by the annual general meeting of MOL Plc. held on the 29th of April, 1998 which has authorised the Board of Directors of the Company to purchase from the market, during a period of three years, a maximum of 900.000 treasury shares per annum at the prevailing stock market prices to cover share incentive schemes implemented by the company- has been amended as follows:

- the authorisation shall be valid for 5 years;
- the total nominal value of all treasury shares in the property of the Company may not at any given time exceed 10% of the share capital;
- the shares shall be purchased by the Company at prices reflecting prevailing prices on the stock market on the day of the transactions;
- the Board of Directors shall report any transactions as well as the use of the purchased own shares at the first subsequent general meeting. The Board of Directors shall also take into consideration the conditions contained in the present resolution, the provisions of the Company Act and of the Securities Act, as well as the compliance with the reporting obligations contained in relevant stock exchange regulations.

The reasons behind this are:

- a planned increase of the share and weight of share-based incentive schemes in order to harmonise more fully the interests of shareholders and management;
- adding a new potential measure to optimise the capital structure through the re-purchase of outstanding share capital (eventually, if justified by later cancellation of shares re-purchased);
- the facilitation of the implementation of potentially attractive equity-related and hybrid financing instruments.

1. Approval of a Long Term Performance Plan for Non-Executive Directors

MOL Rt. Non-Executive Directors
Long Term Performance Plan

Article 1. Introduction

- **Purpose:** The purpose of MOL Magyar Olaj- és Gázipari Részvénytársaság (the "Company") Non-Executive Directors Long Term Performance Plan (the "Plan") is
 - to provide a compensation program for non-executive members of the Board of Directors of the Company ("Directors")
 - provide a means of compensating directors that will help to attract and retain qualified candidate to serve as Directors and
 - to ensure that the interest of the Directors are aligned with the interests of the Companys shareholders by encouraging the improvement of long term corporate performance and the value of shareholdings.
- **Effective Date:** The Plan shall be effective from the date the Plan is adopted by the shareholders of MOL and shall be of retroactive effect to the first day of April 1999. Subject to section 4.3 hereof, any person holding the office of Director as at April 1, 1999 shall qualify to participate in the Plan.

Article 2. Stock Available

Shares of the Companys common stock, par value (HUF 1,000) per share (the "Stock") shall be awarded under the Plan and may comprise of

- previously issued shares of Stock reacquired by the Company, including shares purchased in the open market,
- newly issued shares or
- a combination thereof.

Article 3. Compensation

- **Stock:** Except as otherwise provided in paragraphs 7 and 8, Directors shall be compensated for services rendered to the Company in their capacity as Directors exclusively in Stock.
- **Index:** Directors compensation shall be based on the relative share price performance of the Stock compared to that of other companies in the Budapest Stock Exchange

Index ("BUX Index") and a comparator group comprising of not less than ten European energy companies ("EEC Group Index") in the manner set out in section 3.4 hereof. The initial list of such companies to be included in the EEC Group Index is attached hereto as Schedule 3.2. When amendments become necessary to the list of companies in the EEC Group Index due to mergers affecting such companies or for other reasons, shareholders will be informed about such changes at the first subsequent general meeting. The EEC Group index includes BG Plc., BP AMOCO Plc., COMPANIA ESPAÑOLA de PETROLEOS S.A. (CEPSA), ELF AQUITAINE S.A., ENTE NAZIONALE IDROCARBURI SpA. (ENI), HELLENIC PETROLEUM S.A., NORSK HYDRO A.S.A., OMV A.G., REPSOL S.A., ROYAL DUTCH SHELL GROUP , TOTAL FINA S.A.

For the purposes of calculating the share price performance of the respective companies, wherever possible, local stock exchange prices shall be used. In case of the Royal Dutch Shell Group the price performance of the Shell Transport and Trading Company Plc. shall be taken into account, based on price information of the London Stock Exchange.

- **Maximum/Minimum Award:** The maximum value of the Stock that may be awarded to a Director during any period between April 1 and March 31 of each year (the "Performance Period") shall be the HUF equivalent of USD 25,000 from the comparison companies in the BUX Index and the HUF equivalent of USD 25,000 from the EEC Group Index. If the Office of the Chairman is filled by a non-executive director, then the maximum award available to such person shall be the HUF equivalent of USD 41,500 from each of the aforescribed two indexes. The minimum value of the Stock that may be awarded to a Director for any Performance Period shall be zero. The exchange rate between United States Dollars and Hungarian Forints shall be based on the middle rate published by the National Bank of Hungary on the last day of the Performance Period.
- **Calibration**
- **Index:** For each index, no Stock compensation will be granted if the Companys share price growth is below the 25th percentile of other companies in the index at the end of the Performance Period. One hundred percent of the proposed maximum award will be granted if the performance of the Companys stock is at or above the 75th percentile of the companies in the index. If the Companys performance is between the 25th and 75th percentile of the companies in the index, awards will be calculated on a straight line basis between zero and the maximum award. For the purposes of calculation each index is to be reviewed separately.
- **Pricing:** The starting share price will be taken as the average share price over the three months prior to the start of the Performance Period, which shall be the 1st day of April of each year, and the closing share price will be taken as the average share price over the three months before the end of the Performance Period being March 31 of each year. The number of shares of Stock to be issued to Directors (the "Award") will be calculated based on the average share price over the three months before the end of the Performance Period. The first grant of shares may be on 1 April, 2000 upon which the Board of Directors and the Supervisory Board will report to shareholders at the Annual General Meeting and in the Annual Report.

Article 4. Participation

- **Eligibility:** As of the date of each annual meeting of shareholders of the Company ("Annual Meeting"), each Director elected or reelected to the Board of Directors at

such Annual Meeting or continuing in office, shall be eligible to fully participate in the Plan. Notwithstanding the foregoing, a Director who is also a full time employee of the APV Rt. or its legal successor or any other entity holding the Companys B (golden) share, may not participate in the Plan ("Golden Share Director").

- **Mid Term:** A Director who is elected to the Board of Directors on a date other than the date of an Annual Meeting shall fully participate in the Plan in the next succeeding Performance Period.
- **Termination:** A Director who retires from the Board for any reason, including death, on a date other than the Annual Meeting, shall receive an Award in accordance with Article 3 hereof, but which shall be reduced pro-rata for services rendered to the date of the retirement. The Award shall be calculated as at the date of such retirement. Notwithstanding the foregoing, no person retiring from the Board prior to July 20, 1999 shall qualify for a pro-rata Award for the first Performance Period.
- **Waiver:** A Director may elect, in writing, on or prior to any date on which the Director is entitled to receive the Award to waive the Directors right to receive such Award. Any waiver shall apply to all future Awards the Director would otherwise be entitled to receive, and shall remain in effect until such time as the Director elects, in writing, to revoke such waiver.
- **Change of Control:** Awards will vest at the maximum award level on the change of control of the Company, subject to the Board of Directors and the Supervisory Board of the Company determining that performance to the date of change of control justifies the issuance of the maximum Award.