



Synergon Information Systems Plc.  
and its subsidiaries

# General Meeting Procedural Principles

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Synergon Information Systems Plc.  
Chief Executive Officer



Synergon  
System Integrator Ltd.  
Managing Director



Synergon Retail  
Systems Ltd  
Managing Director



FIBEX Ltd.  
Managing Director



## **Purpose of the document**

Observing the relevant legislative provisions (valid Economy Act, Accountancy Act, the Capital Market Act) and the regulations and recommendations of the Budapest Stock Exchange, this present General Meeting Procedural Principles document aims at formulating principles on the basis of which General Meetings can be held to facilitate the enforcement of the shareholders, taking into consideration also the interest of potential investors and to enable the decision making process in Synergon Information Systems Plc.'s issues.

This present General Meeting Procedural Principles is a supplementation to the Responsible Enterprise Management Recommendations, and it has been published as part thereof.

## **1 Procedures preceding the General Meeting**

- 1.1. Synergon Information Systems Plc.'s General Meetings shall be convened and the documents of the General Meeting's agenda items shall be published in conformity with the legislative provisions and other regulations taking into consideration the shareholders' rights and interests so that the opportunity for the proper preparation for the General Meeting will be provided for each shareholder.

Synergon Information Systems Plc. makes available the regulations in relation to conducting the Company's General Meetings and exercising the shareholders' rights therein in its Statute in an overall form.

Synergon Information Systems Plc. makes available the General Meeting related information on its Hungarian and English language homepages for its shareholders and the market players.

The General Meeting related information comprises as follows:

- the Company's Statute
- invitation to the General Meeting
- submissions and resolution proposals elaborated to the agenda items of the given General Meeting
- the Protocol of the given General Meeting, together with the adopted resolutions.

Through the contacts on the company's homepage Synergon Information Systems Plc. ensures a direct communication potential to its organisation dealing with investor relations.

- 1.2. Observing the legislative and other provisions, Synergon Information Systems Plc. ensures for its shareholders being absent from the General
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meeting to exercise their rights and represent their interest either by means of a nominee authorized shareholder or by accepting the authorization provided by the owner. In the event Synergion takes into consideration other provisions in addition to the legislative provisions in relation to the absent shareholders' exercising their rights, then the company shall draw the shareholders' attention to the same in the invitation to the General Meeting.

- 1.3. The Board of Directors invites the auditor of Synergion Information Systems Plc. to the Board of Directors meetings discussing General Meeting agenda item issues with a consultation right.
- 1.4. The shareholders representing a defined voting ratio are entitled to request the supplementation of the agenda items within the deadline and in the manner as stipulated by law. Synergion Information Systems Plc.'s Board of Directors provides its opinion on request and informs the market players of its related decision through the publication of the supplementation of the agenda items.

In the event the Board of Directors rejects the shareholders' request – and so it does not include the requested supplementation into the agenda – it provides the relevant information within two days describing the shareholders' request and the reasons for the rejection.

- 1.5. Synergion Information Systems Plc. aims at holding the General Meeting at a venue, at a time and on a day which ensure that the highest number and the widest circle of shareholders can attend the meeting.

Synergion Information Systems Plc. does not posit any requirement in relation to participating at a General Meeting which would prevent certain owners from participating.

- 1.6. For the purpose of the quick and smooth conduct of the General Meeting, the company provides for the adequate preparation of voting which guarantees that the determination of the owners' resolution will be unequivocal and clear.

Synergion Information Systems Plc. does not posit any requirement in relation to participating at a General Meeting which would prevent certain owners from participating.

- 1.7. 10 (ten) days prior to the day of the General Meeting, Synergion Information Systems Plc. publishes the submissions elaborated in relation to the agenda items of the General Meeting on its homepage and at its
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official residence and also on the homepage of the Budapest Stock Exchange for the purpose of informing the market players and ensuring a properly justified decision making process for the shareholders. In the event this obligation cannot be fulfilled, information – together with reasoning – shall be published by the Board of Directors.

- 1.8. No agenda item can be discussed at the General Meeting in relation to which the shareholders were not able to gain information about the submissions of the Board of Directors or shareholders initiating the proposals within the above referred to deadline or which treats an issue which cannot be defined exactly.
- 1.9. The definition of the agenda items and their submissions shall be worded clearly and unequivocally so that any different interpretation can be prevented. The Board of Directors shall not include in the agenda of the General Meeting the discussion of issues which treat topics which cannot be defined clearly (either on its own or the shareholders' initiation). The submissions elaborated for the agenda items shall always mention the resolution proposal of the Board of Directors and the opinion of the Supervisory Board supplemented with reasoning and explanation of the consequences of the decisions.

The shareholders reflections and supplementary recommendations received to the submissions published in relation to the announced agenda items shall be published by Synergion Information Systems Plc. within two days upon receipt thereof – still prior to the general meeting – similarly to the submissions, so that the shareholders and market players may gain information in relation to these.

## **2 Conducting General Meeting**

- 2.1. The Chairman of the General Meeting is responsible for the smooth conduct of the General Meeting, for the provision of the opportunity for the shareholders to exercise their rights, and for taking into consideration their interests. The Chairman of the General Meeting shall be aware of the Company's operation, Statute and the regulations relating to the conduct of the General Meeting. In conformity with these expectations, a member of Board of Directors or the person designated by the Board of Directors in advance can be elected as Chairman of the General Meeting. The General Meeting shall approve of the person of the Chairman of the General Meeting prior to the substantial discussion of the agenda items and until this is achieved the General Meeting is not entitled to pass a substantial resolution regarding any agenda item.
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- 2.2. The Company's Board of Directors and Supervisory Board shall be represented at the General Meeting so that the occasionally emerging questions can be answered. Prior to the substantial discussion of the agenda items, the Chairman of the General Meeting shall inform the General Meeting if the Company's Board of Directors and/or Supervisory Board are/is not represented providing reasons for the absence.
- 2.3. The Chairman of the Board is entitled to invite any person to the Company's General Meeting and to provide a right for this person to express an opinion or make a contribution in the event the Chairman supposes that the presence and opinion of this person are necessary or facilitate informing the shareholders and passing the resolutions. In the event the shareholder(s) requesting the supplementation of the agenda items of the General Meeting require(s) the participation of a third party to discuss the relevant, recommended agenda item, the Chairman of the Board shall invite this third party upon the written request of the shareholder(s) and provide a right for this person to express an opinion or make a contribution in the discussion of the related agenda item.
- 2.4. The General Meeting is the supreme forum of keeping contact with the shareholders and the exchange of information, and as such it shall not restrict the right of the owners participating at the General Meeting to request information, making a reflection or an initiation or posit any precondition to the same. The owner rights shall be provided for each participant of the General Meeting on the basis of the same principles.
- Through the observation of exercising the shareholders' rights the Chairman of the General Meeting shall ensure that the contributions, proposals or reflections made at the General Meeting will not cause the hindrance of the proper operation of the General Meeting or the unnecessary extension of its duration.
- 2.5. Regarding the issues which emerged at the General Meeting and to which any representative of the company's organisations present or the occasionally concerned auditor was not able to give an answer, Synergon Information Systems Plc.'s Chairman of the Board shall provide for publishing an answer within three days as of the General Meeting – unless otherwise justified by the Company's interests. In the event Synergon Information Systems Plc. refrains from providing an answer, the relevant information, together with the detailed reasoning, shall be published within three days as of the General Meeting.
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The Chairman of the General Meeting shall ensure that by providing an answer to the issues emerging at the General Meeting the information and publication related principles worded in the legislative provisions and the stock exchange regulations shall not be violated but observed.

- 2.6. Representatives of the press are entitled to participate at Synergon Information Systems Plc.'s General Meetings in the event of signing the related written statement.

Synergon Information Systems Plc. reserves the right to continue the General Meeting with the exclusion of the press in the event that the information required to pass a resolution is confidential due to the nature of the decision to be made at the General Meeting. In this event the decisions made at the General Meeting shall be published within an hour as of the General Meeting for the purpose of informing the market players.

- 2.7. Two hours prior to the General Meeting, but not later than the registration at the venue of the General Meeting, the Board of Directors shall make available the reflections, supplementary proposals and documents received for the submissions in relation to the agenda items regarding which the shareholders were not able to gain information prior to the date of the General Meeting.
- 2.8. In the event a proposal or recommendation is received regarding the issues included in the agenda of the General Meeting of which the shareholders were not able to gain information prior to the General Meeting, the Chairman of the General Meeting shall suspend the activity of the General Meeting after the delineation of the proposal or recommendation still prior to decision making for a period defined at his own discretion (in proportion to the volume and complexity of the proposal or recommendation) so that the shareholders will have sufficient time to form their opinion. The cessation ordered by the Chairman of the General Meeting shall not cause the hindrance of the operation of the General Meeting.

In the event the Chairman of the General Meeting considers the significance of the aforesaid recommendation or proposal of due importance, he is entitled to make a proposal for the adjournment of the operation of the General Meeting so that the shareholders can make a well-founded decision.

- 2.9. Regarding the decisions in relation to the election or withdrawal of senior executives and Supervisory Board members, the General Meeting shall
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not employ a consolidated voting procedure, that is, a separate resolution is required for each applicant. When introducing senior executive candidates designated through shareholders' support, there must be information given about the supporting shareholder as well.

In the event of voting in regards to senior executives, the General Meeting shall vote for each applicant even in the case of the number of applicants exceeding the number of organisational positions to be filled. In the event of electing persons in a number exceeding the organisational positions a repeated voting shall be held regarding all the applicants receiving the same number of votes until the number of votes unequivocally determines the Executive person.

- 2.10. For the purpose of smooth activity in the General Meeting, prior to the discussion of agenda items in relation to the amendment of the Statute, the General Meeting shall resolve in a separate decision whether it intends to decide over the individual amendments of the Statute by means of separate resolutions or by means of an overall consolidated resolution or by means of some resolutions which are consolidated in accordance with certain aspects.

### **3 Procedures following the closure of the General Meeting**

- 3.1. The Company's Board of Directors can only pass a resolution regarding the management of the dividend payment in the knowledge of the value of the dividend if the same is not regulated by the General Meeting.

The payment of the dividend can only be commenced after the 10<sup>th</sup> business day immediately following the passing of the resolution on the management of dividend payments, on the date as specified in the resolution of the General Meeting.

- 3.2. Synergon Information Systems Plc. shall elaborate and publish the General Meeting's Protocol within 30 days immediately following the General Meeting. Synergon Information Systems Plc. is entitled to make a sound recording at the General Meeting for the authentic attestation of the information, contributions, reflections provided and resolutions passed at the General Meeting.
  - 3.3. The shareholder making a contribution at the General Meeting is only entitled to attach the written form of his or her contribution made at the General Meeting to the Protocol. Prior to the substantial discussion of the agenda items, the Chairman of the General Meeting shall call the attention of the shareholders to the same.
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