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Rába Automotive Holding Plc.

Submissions
to RÁBA Automotive Holding Plc.'s (RÁBA Plc)
Annual General Meeting
to be held on April 17, 2014

Győr, March 26, 2014



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RÁBA Automotive Holding Plc. ("RÁBA Plc.")
(Seat of the Company: 9027 Győr, Martin u. 1.)

herewith informs its shareholders that

it holds its

ANNUAL GENERAL MEETING

on April 17, 2014 at 10.00 a.m.

at the Commercial Centre of RÁBA Plc.

(Hotel Konferencia, Győr, 3 Apor Vilmos püspök tere)

The Agenda of the General Meeting

- 1. Assessment of the Company's operation in the FY 2013**
 - 1.a) Report of the Board of Directors on the Company's business operations in the business year 2013;**
 - 1.b) Report on the Company's financial statements of 2013 drawn up as per the Act on Accounting, proposal of the Board of Directors for the approval of the normal and consolidated balance sheet as well as proposal for the allocation of the net result; and the submission of Corporate Governance Report;**
 - 1.c) Report of the Supervisory Board on the financial reports and on the annual financial statements of 2013 drawn up as per the Act on Accounting and on the allocation of the net result;**
 - 1.d) Report of the Auditor on the annual financial statements of 2013 drawn up as per the Act on Accounting;**
 - 1.e) Discussion of the annual financial statement drawn up as per the Act on Accounting (balance sheet, P&L), approval of the balance sheet, and resolution on the allocation of net results; and resolution on the acceptance of the Corporate Governance Report;**
- 2. Assessment of the activity of the Board of Directors in the financial year 2013, and grant of discharge of liability to the Board of Directors according to Article 30 (5) of the Company Act and Article 13 (v) of the Articles of Association;**
- 3. The amendment of the Articles of Association, decision on continuation of the Company's operation pursuant to and under the Act V of 2013 (the Civil Code) and setting the consolidated memorandum thereof;**
- 4. Authorization of the Board of Directors to acquire own shares;**
- 5. Extension of the Management Incentive Share Option Program;**
- 6. Election of Board member(s) and setting the remuneration;**
- 7. Election of the Auditor and setting the remuneration;**
- 8. Miscellaneous**

The submissions and draft resolutions relative to the Items on the Agenda of the AGM, the reports of the Supervisory Board (Audit Committee) and the Auditor will be published in separate notice by the Board of Directors until March 26, 2014 on the website of BSE (www.bet.hu) and on the website of the Company (www.raba.hu).



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Subject to presentation of certificate of ratio of voting rights, and, to indication of the reason for the request, the shareholders representing at least 1 (one) per cent of the votes may request in writing the Board of Directors to put any item on agenda of the AGM, and such shareholders may also submit draft resolutions regarding the items on agenda, within 8 days following the publication of this Notice of AGM.

Pursuant to the Articles of Association those shareholders or shareholder's proxies are entitled to participate in and vote at the AGM **whose names are entered in the Register of Shareholders, at the date of its closing**, prepared on the basis of the identification of shareholders initiated by the Company.

The record date of identification of shareholders is: **April 10, 2014**

The closing day of Register of Shareholder is: **April 15, 2014. 6 p.m.**

The financial institutions keeping the securities account shall arrange for the entering of the shareholders into the Company's Register of Shareholders kept by KELER Zrt, on the basis of the shareholder's instructions. RÁBA Plc. can not assume liability for the performance of the shareholders' registration.

The shareholders who intend to participate in the AGM are requested to check, until the second working day before the closing date of the Register of Shareholders, the latest, with the financial institution keeping their securities account that the arrangements have been made in favour of their registration into the Register of Shareholders.

Shareholders may participate in the Annual General Meeting in person, or through their legal representatives or proxies.

The shareholders should prove their personal identity by presenting their identity card. The shareholders' organizational or company identity and their right of representation should be verified by an authentic document, which certifies the registration and the data in force of the organization or the company and their representatives (e.g. certificate of incorporation). In case of a foreign shareholder, the provisions regarding the requirements of documents of foreign origin shall be applied, with regard to the relevant provisions of the international convention being in effect between Hungary and the country of the place of issue of such foreign documents, or the international reciprocity as well. If the documents are not issued in the Hungarian or English language, the shareholder should attach the Hungarian or the English translation.

For the purpose of registration, the shareholders are requested to arrive at the place of the Annual General Meeting from 8.30 a.m, together with their documents necessary for the verification of their personal identity and/or company identity, and their rights of representation.

Convocation of the Repeated General Meeting due to lack of quorum of AGM:

In the event that the Annual General Meeting to be held on April 17, 2014 fails to have a quorum even 30 minutes after its scheduled time, the General Meeting repeated for lack of quorum shall be held at the same place and with the same agenda **on April 29, 2014 at 10.00 a.m.** In the case that repeated General Meeting is to be held, a separate notice will be published thereof on the date of the original General Meeting by the Company.

The Register of Shareholders prepared on the basis of the identification of shareholders at the record date of April 10, 2014 and closed on April 15, 2014 at 6 p.m. shall be applicable to the Annual General Meeting repeated for lack of quorum.

In the event that the quorate Annual General Meeting is suspended, the date of the continued Annual General Meeting will be established parallel to the time of suspension and will be officially published by Rába Plc. in a notice on the next working day after the suspended General Meeting at the latest.

Board of Directors of RÁBA Plc.



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Item 1.a) and item 1.b) on Agenda of General Meeting

**Report of the Board of Directors on the Company's business operations
in the business year 2013;**

**Report on the Company's financial statements of 2013 drawn up as per the Act on Accounting, proposal of the Board of Directors for the approval of the normal and consolidated balance sheet as well as proposal for the allocation of the net result; and the submission of
Corporate Governance Report;**



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Financial Statements
in accordance with the Hungarian Act on Accounting
for the FY 2013
of
Rába Járműipari Holding Nyrt.



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Statistical number

11120133-7010-114-08

Court registration number

08-10-001532

data in th HUF

	Item	31.12.2012	31.12.2013
	b	c	e
A.	Fixed Assets	16 607 193	16 313 978
I.	INTANGIBLE ASSETS	48 634	26 891
	Capitalized value of formation and reorganisation expenses	0	0
	Capitalized value of research and development	0	0
	Concessions, licenses and similar rights	47 423	25 979
	Trade-marks, patents and similar assets	1 211	912
	Goodwill	0	0
	Advances and prepayments on intangible assets	0	0
	Adjusted value of intangible assets	0	0
II.	TANGIBLE ASSETS	5 835 907	5 969 648
	Land and buildings and rights to immovables	5 747 198	5 801 281
	Plants, machinery, vehicles	23 347	126 904
	Other equipment, fixtures and fittings, vehicles	28 912	33 463
	Breeding stock	0	0
	Assets in course of construction	36 450	8 000
	Payments on account	0	0
	Adjusted value of tangible assets	0	0
III.	FINANCIAL INVESTMENTS	10 722 652	10 317 439
	Long-term participations in affiliated undertakings	10 722 447	10 317 234
	Long-term credit to affiliated undertakings	0	0
	Other long-term participations	205	205
	Long-term loan to independent undertakings	0	0
	Other long-term loans	0	0
	Securities signifying a long-term creditor relationship	0	0
	Adjusted value of financial investments	0	0

Date: Győr, March 03, 2014

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11120133-7010-114-08

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data in th HUF

	Item	31.12.2012	31.12.2013
	b	c	e
B.	Current assets	4 607 247	3 526 083
I.	INVENTORIES	351 012	351 435
	Raw materials and consumables	10 094	10 323
	Work in progress, intermediate and semi-finished products	0	0
	Animals for breeding and fattening and other livestock	0	0
	Finished products	0	0
	Goods	340 918	341 048
	Advances and prepayments	0	64
II.	LIABILITIES	3 726 369	2 533 377
	Trade debtors	36 220	39 035
	Receivables from affiliated undertakings	3 682 015	2 487 833
	Receivables from independent undertakings	0	0
	Bills receivable	0	0
	Other receivables	8 134	6 509
III.	SECURITIES	489 421	472 303
	Participations in affiliated undertakings	0	0
	Other participations	0	0
	Own shares and own partnership shares	489 421	472 303
	Securities signifying a creditor relationship for trading purposes	0	0
IV.	LIQUID ASSETS	40 445	168 968
	Cash, cheques	191	90
	Bank deposits	40 254	168 878
C.	Accrued and deferred assets	19 637	22 027
	Accrued income	18 247	20 243
	Accrued expenses	1 390	1 784
	Deferred expenses	0	0
	Total assets	21 234 077	19 862 088

Date: Győr, March 03, 2014

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	Item	31.12.2012	31.12.2013
	b	c	e
D.	Shareholders' Equity	13 862 716	15 333 627
I.	ISSUED CAPITAL	13 473 446	13 473 446
	including: ownership shares repurchased at face value	548 160	528 988
II.	ISSUED CAPITAL UNPAID (-)	0	0
III.	CAPITAL RESERVE	127 654	127 654
IV.	RETAINED EARNINGS	-1 026 931	889 313
V.	LEGAL RESERVES	589 421	472 303
VI.	REVALUATION RESERVE	0	0
VII.	PROFIT OR LOSS FOR THE FINANCIAL YEAR	699 126	370 911
E.	Provisions	19 420	91 019
	Provisions for forward liabilities	19 420	91 019
	Provisions for forward expenses	0	0
	Other provisions	0	0
F.	LIABILITIES	7 255 478	4 351 614
I.	SUBORDINATED LIABILITIES	0	0
	Subordinated liabilities to affiliated undertakings	0	0
	Subordinated liabilities to independent undertakings	0	0
	Subordinated liabilities to other economic entities	0	0
II.	LONG-TERM LIABILITIES	0	0
	Long-term loans	0	0
	Convertible bonds	0	0
	Debts on issue of bonds	0	0
	Investment and development credits	0	0
	Other long-term credits	0	0
	Long-term liabilities to affiliated undertakings	0	0
	Long-term liabilities to independent undertakings	0	0
	Other long-term liabilities	0	0

Date: Győr, March 03, 2014

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08-10-001532

data in thHUF

	Item	31.12.2012	31.12.2013
	b	c	e
III.	SHORT-TERM LIABILITIES	7 255 478	4 351 614
	Short-term bank loans	0	0
	including convertible bonds	0	0
	Other short-term loans	3 182 658	483 768
	Advances received from customers	2 807	72
	Accounts payable	165 356	188 366
	Bills payable	0	0
	Short-term liabilities to affiliated undertakings	3 877 449	3 636 905
	Short-term liabilities to independent undertakings	0	0
	Other short term liabilities	27 208	42 503
G.	Accrued and deferred income	96 463	85 828
	Deferred income	20 652	4 985
	Deferred expenses	75 811	80 843
	Accrued income	0	0
	Total liabilities	21 234 077	19 862 088

Date: Győr, March 03, 2014

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data in th HUF

Item		01.01.2012- 31.12.2012	01.01.2013- 31.12.2013
	b	c	e
1	Net domestic sales	1 302 337	1 276 593
2	Net external sales	0	2 867
I.	Net sales revenue (01+02)	1 302 337	1 279 460
3	Prime cost of sales accounted	143	125
4	Cost of goods sold	548	768
5	Value of services sold	218 685	229 496
II.	Direct cost of sales (03+04+05)	219 376	230 389
III.	Gross profit (I-II)	1 082 961	1 049 071
6	Sales and marketing costs	22 293	22 925
7	Administration costs	1 013 326	1 047 385
8	Other general overhead	1 870	1 742
IV.	Indirect cost of sales (06+07+08)	1 037 489	1 072 052
V.	Other income	41 719	389 710
	including: reversed loss in value	0	0
VI.	Other expenditures	165 279	315 649
	including: loss in value	0	85
A.	PROFIT FROM OPERATING ACTIVITIES (±III-IV+V-VI)	-78 088	51 080

Date: Győr, March 03, 2014

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	Item	01.01.2012- 31.12.2012	01.01.2013- 31.12.2013
	b	c	e
9	Dividends and profit-sharing (received or due)	606 660	290 856
	including: from affiliated undertakings	600 000	280 000
10	Capital gains on investments	0	118 317
	including: from affiliated undertakings	0	0
11	Interests and gains of financial assets	0	195
	including: from affiliated undertakings	0	0
12	Other interest and similar income (received or due)	108 962	58 180
	including: from affiliated undertakings	1 381	0
13	Other income from financial transactions	243 097	62 982
VII.	Income from financial transactions (09+10+11+12+13)	958 719	530 530
14	Losses on financial investments	0	0
	including: to affiliated undertakings	0	0
15	Interest payable and similar charges	150 760	68 407
	including: to affiliated undertakings	0	0
16	Losses on shares, securities and bank deposits	0	0
17	Other expenses on financial transactions	25 816	133 940
VIII.	Expenses of financial transactions (14+15+16+17)	176 576	202 347
B.	PROFIT FROM FINANCIAL TRANSACTIONS (VII-VIII)	782 143	328 183
C.	PROFIT OF ORDINARY ACTIVITIES (±A±B)	704 055	379 263
IX.	Extraordinary income	599	399
X.	Extraordinary expenses	6 169	3 469
D.	EXTRAORDINARY PROFIT (IX-X)	-5 570	-3 070
E.	PROFIT BEFORE TAXES (±C±D)	698 485	376 193
XI.	Tax payable	-641	5 282
F.	PROFIT AFTER TAXES (±E-XI)	699 126	370 911
18	Retained earnings used for dividends and profit-sharing		
19	Dividends and profit-sharing paid (payable)		
G.	BALANCE SHEET PROFIT (±F+18-19)	699 126	370 911

Date: Győr, March 03, 2014

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	Item	01.01.2012- 31.12.2012	01.01.2013- 31.12.2013
	b	c	e
1	Net domestic sales	1 302 337	1 276 593
2	Net external sales	0	2 867
I.	Net sales revenue (01+02)	1 302 337	1 279 460
3	Changes in self-manufactured stocks ±	0	0
4	Capitalized value of self-construction	0	0
II.	Capitalized value of production (±03+04)	0	0
III.	Other income	41 719	389 710
	including: reversed loss in value	0	0
5	Material costs	58 199	48 516
6	Contracted services	374 108	380 594
7	Other services	42 818	39 506
8	Cost of goods sold	548	768
9	Value of services sold	218 685	229 496
IV.	Material costs (05+06+07+08+09)	694 358	698 880
10	Wages and salaries	199 798	262 270
11	Other employee benefits	57 861	50 470
12	Contributions on wages and salaries	88 378	88 885
V.	Staff costs (10+11+12)	346 037	401 625
VI.	Depreciation	216 470	201 936
VII.	Other expenditures	165 279	315 649
	including: loss in value	0	85
A.	PROFIT FROM OPERATING ACTIVITIES (I±II+III-IV-V-VI-VII)	-78 088	51 080

Date: Győr, March 03, 2014

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	Item	01.01.2012- 31.12.2012	01.01.2013- 31.12.2013
	b	c	e
13	Dividends and profit-sharing (received or due)	606 660	290 856
	including: from affiliated undertakings	600 000	280 000
14	Capital gains on investments	0	118 317
	including: from affiliated undertakings	0	0
15	Interest and capital gains on financial investments	0	195
	including: from affiliated undertakings	0	0
16	Other interest and similar income (received or due)	108 962	58 180
	including: from affiliated undertakings	1 381	0
17	Other income from financial transactions	243 097	62 982
VIII.	Income from financial transactions (13+14+15+16+17)	958 719	530 530
18	Losses on financial investments	0	0
	including: to affiliated undertakings	0	0
19	Interest payable and similar charges	150 760	68 407
	including: to affiliated undertakings	0	0
20	Losses on shares, securities and bank deposits	0	0
21	Other expenses on financial transactions	25 816	133 940
IX.	Expenses of financial transactions (18+19+20+21)	176 576	202 347
B.	PROFIT FROM FINANCIAL TRANSACTIONS (VIII-IX)	782 143	328 183
C.	PROFIT OF ORDINARY ACTIVITIES (±A±B)	704 055	379 263
X.	Extraordinary income	599	399
XI.	Extraordinary expenses	6 169	3 469
D.	EXTRAORDINARY PROFIT (X-XI)	-5 570	-3 070
E.	PROFIT BEFORE TAXES (±C±D)	698 485	376 193
XII.	Tax payable	-641	5 282
F.	PROFIT AFTER TAXES (±E-XII)	699 126	370 911
22	Retained earnings used for dividends and profit-sharing		
23	Dividends and profit-sharing paid (payable)		
G.	BALANCE SHEET PROFIT (±F+22-23)	699 126	370 911

Date: Győr, March 03, 2014

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Consolidated Financial Statements
in accordance with the International Accounting Standards
for the year ended 31 December 2013
of
Rába Járműipari Holding Nyrt.



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RÁBA Járműipari Holding Nyrt.
Consolidated Balance Sheet
for the year ended 31 December 2013 (amounts in thHUF)

		<i>31 December 2012</i>	<i>31 December 2013</i>
Assets			
Property, plant and equipment	7	13,777,744	13,841,560
Intangible assets	8	1,046,740	977,593
Investment property	9	338,217	338,217
Receivables from sales of assets	31	194,043	198,586
Deferred tax assets	25	508,470	303,422
Other non-current assets	10	642,284	577,119
Total non-current assets		16,507,498	16,236,497
Inventories	11	8,424,298	7,164,217
Trade and other receivables	12	9,683,334	9,428,014
Current tax asset		112,298	36,639
Cash and cash equivalents	13	176,525	265,011
Total current assets		18,396,455	16,893,881
Total assets		34,903,953	33,130,378
Equity and liabilities			
Share capital	14	12,921,066	12,940,238
Capital reserve	14	85,004	83,140
Share-based payment reserve	15	165,057	86,354
Retained earnings	14	(1,767,906)	985,665
Other comprehensive income	14	(19,843)	(19,313)
Total equity		11,383,378	14,076,084
Provisions	16	406,620	414,356
Non-current loans and borrowings	17	3,286,679	5,819,436
Total non-current liabilities		3,693,299	6,233,792
Current portion of loans and borrowings	17	10,294,062	3,303,510
Trade and other payables	18	9,533,214	9,516,992
Total current liabilities		19,827,276	12,820,502
Total equity and liabilities		34,903,953	33,130,378



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RÁBA Járműipari Holding Nyrt.
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2013 (amounts in thHUF)

		31 December 2012	31 December 2013
Revenues	20	42,345,857	47,485,308
Direct cost of sales	21	(33,242,525)	(36,377,394)
Gross profit		9,103,332	11,107,914
Sales and marketing expenses	21	(743,492)	(853,559)
General and administrative costs	21	(6,965,716)	(7,266,985)
Other income	23	421,958	915,969
Other expenditures	23	(481,586)	(641,267)
Total other operating expenditures		(7,768,836)	(7,845,842)
Profit from operating activities		1,334,496	3,262,072
Finance income	24	1,874,443	1,945,382
Finance expenses	24	(2,331,366)	(1,916,621)
Profit before tax		877,573	3,290,833
Taxes	25	(308,565)	(622,035)
Profit for the year		569,008	2,668,798
Profit on cash flow hedges	14	926,760	630
Deferred tax effect of cash flow hedges	14	(142,187)	(100)
Total comprehensive profit for the year		1,353,581	2,669,328
Basic earnings per share	28	44	207
Diluted earnings per share	28	44	206



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Corporate Governance Report

Attachment 1



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Item 1 c) on Agenda of General Meeting

Report of the Supervisory Board on the financial reports and on the annual financial statements of 2013 drawn up as per the Act on Accounting and on the allocation of the net result



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Report of the Supervisory Board of Rába Automotive Holding Plc. to the Annual General Meeting

Subject: Report on FY 2013, annual financial statements and a proposal for the allocation of the net result

On the meetings held quarterly in the financial year, the Supervisory Board (SB) – also in its capacity as Audit Committee - discussed and approved the report of the Board of Directors on the quarterly activity of the Company, on its financial management as well as on the most significant events.

The SB continuously followed the operation of the internal audit organizational unit, had its leader report and discussed the reports on internal as well as on follow-up revisions. The SB set the audit plan for the year, and in some cases gave instructions with regard to further monitoring considerations and fields to be monitored.

The SB has been in contact with the Company's auditor and together they discussed the reports of the Board of Directors to be submitted to the Annual General Meeting.

The key financial figures of the Company in the annual reports on financial statements drawn up as per the Hungarian and International Accounting Standards (th HUF):

Description	2012		2013	
	Rába Plc. individual HAS	Consolidated IAS	Rába Plc. individual HAS	Consolidated IAS
Sales revenue	1 302 337	42 345 857	1 276 593	47 485 308
In which export	0	29 516 591	2 867	34 243 670
Operating profit	-78 088	1 334 496	51 080	3 262 072
Profit before taxes	698 485	877 573	376 193	3 290 833
Total comprehensive profit for the year		1 353 581		2 669 328
Issued capital	13 473 446	12 921 066	13 473 446	12 940 238
Shareholders' equity	13 862 716	11 383 378	15 333 627	14 076 084
Balance sheet total	21 234 077	34 903 953	19 862 088	33 130 378
Average headcount	16	1 904	16	1 936

The SB determined that the report and the financial statements give an appropriate account of the Company's financial state.

The SB proposes to the General Meeting to approve the consolidated financial statements for the FY 2013 drawn up as per IAS and the non-consolidated financial statements for the FY 2013 according to HAS as well as the proposal of the Board of Directors for the allocation of the net results and the Report on Corporate Governance.

Győr, March 25, 2014

On behalf of the Supervisory Board of Rába Plc.

Dr. Polacsek Csaba
Chairman



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Item 1 d) on Agenda of General Meeting

**Report of the Auditor on the annual financial statements of 2013
drawn up as per the Act on Accounting**



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Deloitte.

Deloitte Auditing and Consulting Ltd.
H-1068 Budapest, Dózsa György út 84/C, Hungary
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www.deloitte.com/hungary

Registered by the Capital Court of Registration
Company Registration Number: 01-09-071057

Translation of the Hungarian original

INDEPENDENT AUDITORS' REPORT

**on the financial statements submitted for the forthcoming General Meeting
of RÁBA Járműipari Holding Nyrt.**

To the Shareholders of RÁBA Járműipari Holding Nyrt.

Report on the Financial Statements

We have audited the accompanying financial statements of RÁBA Járműipari Holding Nyrt. (the "Company") for the year 2013, which comprise the balance sheet as at December 31, 2013 - which shows total assets of 19,862,088 thHUF and a retained profit for the year of 370,911 thHUF-, and the related profit and loss account for the year then ended and the supplement comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Hungarian National Standards on Auditing and effective Hungarian laws and other regulations pertaining to audit. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member of Deloitte Touche Tohmatsu Limited



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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of RÁBA Járműipari Holding Nyrt. as at December 31, 2013, and its financial performance for the year then ended in accordance with the Accounting Act.

Other Reporting Obligation: Report on the Business Report

We have examined the accompanying business report of RÁBA Járműipari Holding Nyrt. for the year 2013.

Management is responsible for the preparation of this business report in accordance with the Accounting Act.

Our responsibility is to assess whether the accounting information in the business report is consistent with that contained in the financial statements prepared for the same business year. Our work with respect to the business report was limited to assessing the consistence of the business report with the financial statements, and did not include a review of any information other than that drawn from the audited accounting records of the Company.

In our opinion, the business report of RÁBA Járműipari Holding Nyrt. for the year 2013 corresponds to the figures included in the financial statements of RÁBA Járműipari Holding Nyrt. for the year 2013.

Budapest, March 25, 2014

The original Hungarian version has been signed.

Horváth Tamás

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1068 Budapest, Dózsa György út 84/C.
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Binder Szilvia

registered statutory auditor
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Registered by the Capital Court of Registration
Company Registration Number: 01-09-071057

INDEPENDENT AUDITORS' REPORT

To the Shareholders of RÁBA Járműipari Holding Nyrt.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of RÁBA Járműipari Holding Nyrt. (the "Company") for the year 2013, which financial statements comprise the consolidated balance sheet as at December 31, 2013 - which shows total assets of 33,130,378 thHUF, - and the related consolidated statement of income and the statement of comprehensive income - which shows total comprehensive profit for the year of 2,669,328 thHUF -, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Hungarian National Standards on Auditing and effective Hungarian laws and other regulations pertaining to audit. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of RÁBA Járműipari Holding Nyrt. as at December 31, 2013, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Reporting Obligation: Report on the Consolidated Business Report

We have examined the accompanying consolidated business report of RÁBA Járműipari Holding Nyrt. for the year 2013.

Management is responsible for the preparation of this consolidated business report in accordance with the Hungarian Accounting Act.

Our responsibility is to assess whether the accounting information in the consolidated business report is consistent with that contained in the consolidated financial statements prepared for the same business year. Our work with respect to the consolidated business report was limited to assessing the consistence of the consolidated business report with the consolidated financial statements, and did not include a review of any information other than that drawn from the audited accounting records of the Company.

In our opinion, the consolidated business report of RÁBA Járműipari Holding Nyrt. for the year 2013. corresponds to the figures included in the consolidated financial statements of RÁBA Járműipari Holding Nyrt. for the year 2013.

Budapest, March 25, 2014

A blue ink signature of Horváth Tamás, written in a cursive style, positioned above a horizontal dotted line.

Horváth Tamás
Deloitte Auditing and Consulting Ltd.
1068 Budapest, Dózsa György út 84/C.
000083

A blue ink signature of Binder Szilvia, written in a cursive style, positioned above a horizontal dotted line.

Binder Szilvia
registered statutory auditor
003801



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Item 1 e) on Agenda of General Meeting

Discussion of the annual financial statement drawn up as per the Act on Accounting (balance sheet, P&L), approval of the balance sheet, and resolution on the allocation of net results; and resolution on the acceptance of the Corporate Governance Report

(Draft) resolution 1/2014.04.17 of the AGM:

The General Meeting approves the report of the Board of Directors on the Company's business operations in the financial year 2013 as in the proposal.

(Draft) resolution 2/2014.04.17 of the AGM:

Based on the review by the Supervisory Board, the report of the auditor and the figures in the 2013 annual report, the General Meeting approves the individual and consolidated balance sheet of Rába Nyrt. for 2013 as set forth in the proposal and as follows:

A./ The AGM approves the individual balance sheet, drawn up as per the Hungarian Act on Accounting, with a corresponding balance-sheet total of assets and liabilities that is HUF 19,862,088 thousand, and a balance sheet profit of HUF 370,911 thousand;

B./ The AGM approves the consolidated balance sheet, drawn up as per the International Financial Reporting Standards, with a corresponding balance-sheet total of assets and liabilities that is HUF 33,130,378 thousand, and a total comprehensive profit for the year of HUF 2,669,328 thousand.

(Draft) resolution 3/2014.04.17 of the AGM:

Based on the proposal of the Board of Directors, the General Meeting resolves that the Company does not pay dividend, and places the profit after taxation into profit reserves.

(Draft) resolution 4/2014.04.17 of the AGM:

With regard to the preliminary approval by the Supervisory Board, the General Meeting approves the Corporate Governance Report as per the proposal.



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Item 2 on Agenda of General Meeting

Assessment of the activity of the Board of Directors in the financial year 2013, and grant of discharge of liability to the Board of Directors according to Article 30 (5) of the Company Act and Article 13 (v) of the Articles of Association

(Draft) resolution 5/2014.04.17 of the AGM:

Based on the assessment of the activity of the Board of Directors in FY 2013 according to the Article 13 (v) of the Articles of Association, the General Meeting grants the discharge of liability to the Members of the Board of Directors according to the Paragraph 30 (5) of the Company Act



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Item 3 on Agenda of General Meeting

The amendment of the Articles of Association, decision on continuation of the Company's operation pursuant to and under the Act V of 2013 (the Civil Code) and setting the consolidated memorandum thereof

<p>1. The Company name RÁBA Automotive Holding [Public Limited Company] PLC</p>	<p>1. The Company name RÁBA Automotive Holding PLC</p>
<p>5. Scope of Activities of The Company <i>[Change in remarks to the scope of activities]</i> Under Financial leasing and Other lending activity, the Company is engaged solely in lending, guarantee and financial leasing activities among the Company and the enterprises under its control, not subject to a licence and not regarded as financial leasing or lending activities pursuant to Annex 2 of Act CXII of 1996 on lending institutions and financial enterprises</p>	<p>5. Scope of Activities of The Company <i>[Change in remarks to the scope of activities]</i> Under Financial leasing and Other lending activity, the Company is engaged solely in company group financing activities among the Company and its subsidiaries, not subject to a licence pursuant to the Paragraph 5 (2) of the Act CCXXXVII of 2013 on lending institutions and financial enterprises.</p>
<p>8. Register of Shareholders 8.1. The Board of Directors or its authorised representative shall keep a Register of Shareholders of the registered shares and shareholders, including the holders of temporary shares and about the shareholders' proxies for the individual share types. Such register of shareholders shall contain at least the following information for each shareholder: (c) number and nominal value of the shares/share types, amounts paid for the individual shares and indication of the ownership ratio of the holder of the shares (shareholder's proxy); 8.2. The Board of Directors of the Company may contract a clearing house, as defined in a particular act, as well as a central depository house, an investment enterprise, a financial institution, an attorney at law or an auditor (except for the auditor elected to perform auditing in case of compulsory audit as per the Act on Accounting) to manage the Register of Shareholders. Such contract and the name of the appointed person shall be published in the Official Companies Gazette (Cégekzlöny). 8.3. In the event of changes in the data entered into the Register of Shareholders, the Shareholder shall notify the manager of the security account kept for the dematerialised shares and shall make a statement about the new data. Should the Shareholder</p>	<p>8. Register of Shareholders 8.1. The Board of Directors or its authorised representative shall keep a Register of Shareholders of the registered shares and shareholders, including the holders of temporary shares and about the shareholders' proxies for the individual series of shares. Such register of shareholders shall contain at least the following information for each shareholder: (c) number and nominal value of the shares/series of shares, amounts paid for the individual shares and indication of the ownership ratio of the holder of the shares (shareholder's proxy); 8.2. The Board of Directors of the Company may contract a clearing house, as defined in a particular legal regulation, as well as a central depository house, an investment enterprise, a financial institution, an attorney at law or an auditor (except for the permanent auditor elected to perform auditing in case of compulsory audit as per the Act on Accounting) to manage the Register of Shareholders. Such contract, the particulars of the appointed person and the information on access to the Register of Shareholders shall be published on the website of the Company. 8.3. In the event of changes in the data entered into the Register of Shareholders, the Shareholder shall notify the manager of the Register of Shareholders, as well as the manager of the security account kept for the dematerialised shares and shall make a</p>



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fail to discharge such obligation, he shall be liable for all resulting damages.

In the event that the information supplied by the Shareholder is wrong, incomplete, misleading or fraudulent, the Shareholder shall be held liable for all material damages resulting in consequence and the Board of Directors cannot be held liable towards other shareholders of the Company in this context, unless the Board of Directors could have been reasonably expected to recognise the fact that such information was wrong, incomplete, misleading or fraudulent. In the event that the Board of Directors learns that the information supplied by the Shareholder is wrong, incomplete, misleading or fraudulent and can prove such facts, the Board of Directors has the right to modify the Register of Shareholders to delete data from it or to suspend the exercise of the rights of the Shareholders, including the right of the given shareholder to earn a dividend and, furthermore, has the right to take all necessary actions within his competence to remedy the situation. In this case, the Shareholder involved is responsible to prove to the Board of Directors that the information provided on himself or on the shares to the Board of Directors was true, complete and not misleading or fraudulent.

8.4. The manager of the security account – unless provided otherwise by the Shareholder – shall report to the keeper of the Register of Shareholders the name (company name), address (seat) of the Shareholder, the number of shares/share types and series held by the Shareholders as well as any other data required by the law.

The manager of the security account shall file such report within two (2) days of crediting the shares to the security account. The security account manager cannot report the data if the shareholder has so decided.

If the shareholder has decided not to enter his data into the Register of Shareholders, and the person authorised by him is not entered into the register either as the person exercising shareholder's right,

statement about the new data. Should the Shareholder fail to discharge such obligation, he shall be liable for all resulting damages.

In the event that the information supplied by the Shareholder is wrong, incomplete, misleading or fraudulent, the Shareholder shall be held liable for all material damages resulting in consequence and the Board of Directors cannot be held liable towards other shareholders of the Company in this context.

8.4. The manager of the security account – unless provided otherwise by the Shareholder – shall report to the keeper of the Register of Shareholders the name (company name), address (seat) of the Shareholder, the number of shares/share types and series held by the Shareholders as well as any other data required by the law.

The manager of the security account shall file such report within two (2) **working** days of crediting the shares to the security account. The security account manager cannot report the data if the shareholder has so decided. **The shareholder who is formally verified has to be entered into the Register of Shareholders if an application to this effect is filed with the manager of Register of Shareholders. The shareholder is to be deleted from the Register of Shareholders upon his request.**

The manager of the Register of Shareholders is entitled to deny entering the formally verified shareholder into the Register of Shareholders if the shareholder has acquired his share through violation of law or breach of the provisions pertaining to share acquisition under the Articles of Association

If the shareholder has decided not to enter his data into the Register of Shareholders, and the person authorised by him is not entered into the register either as the person exercising shareholder's right,



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<p>shareholder's rights towards the Company cannot be exercised on the basis of the share held by the shareholder.</p> <p>The owner of the dematerialised share or his proxy (collectively referred to as: shareholders) may exercise his rights as shareholder on the basis of the excerpt from the security account (owner's certificate) issued by the security account manager. Such shareholder certificate shall include</p> <ul style="list-style-type: none"> (i) the name of the issuer and of the share type; (ii) the number and nominal value of the share; (iii) the name/company name, as well as seat/address of the shareholder; (iv) the name and official signature of the security account manager; <p>The person, whose name is shown in the Register of Shareholders on the second working day at 6 p.m. before the General Meeting, registered on the basis of shareholders' identification initiated by the Company for a date within the 7th and 5th working day before the General Meeting shall be entitled to exercise, either personally or through proxy, the shareholder's rights at the General Meeting</p>	<p>shareholder's rights towards the Company cannot be exercised on the basis of the share held by the shareholder.</p> <p>The owner of the dematerialised share or his proxy (collectively referred to as: shareholders) may exercise his rights as shareholder on the basis of the excerpt from the security account (owner's certificate) issued by the security account manager. Such shareholder certificate shall include</p> <ul style="list-style-type: none"> (i) the name of the issuer and of the share type; (ii) the number and nominal value of the share; (iii) the name/company name, as well as seat/address of the shareholder; (iv) the name and official signature of the security account manager; <p>The person, whose name is shown in the Register of Shareholders on the second working day at 6 p.m. before the General Meeting, registered on the basis of shareholders' identification initiated by the Company for a date within the 7th and 5th working day before the General Meeting shall be entitled to exercise, either personally or through proxy, the shareholder's rights at the General Meeting.</p>
<p>RULES FOR THE TAKEOVER OF THE COMPANY</p> <p>10. The acquisition of the voting shares or the takeover of the Company shall be ruled by the Capital Act as in forth at the time of the relevant acquisition or takeover.</p>	<p>RULES FOR THE TAKEOVER OF THE COMPANY</p> <p>10. The acquisition of the voting shares or the takeover of the Company shall be ruled by the Capital Act as in forth at the time of the relevant acquisition or takeover (that is the Act CXX of 2001 at present) and the Civil Code (that is the Act V of 2013 at present).</p>
<p>INCREASE OF THE COMPANY'S EQUITY</p> <p>11. Subscription to shares in the context of equity increase shall be governed by the provisions of the Companies Act and the provisions of the capital markets legislation in force.</p>	<p>INCREASE OF THE COMPANY'S EQUITY</p> <p>11. Subscription to shares in the context of equity increase shall be governed by the provisions of the Civil Code and the provisions of the capital markets legislation in force.</p>
<p>11.1. In the event of an equity increase through a private placement of new shares:</p> <ul style="list-style-type: none"> a.) the Board of Directors shall inform the shareholders at the usual place where the Company makes its announcements, no later than within 30 days following the resolution about the equity increase, as well as about the opportunity and method for exercising subscription preference and supply information about the starting and closing day of the period available to exercise preference rights – no less than 15 days – as well as about the deadline for the declaration regarding the exercising of preference rights; b.) shareholders entitled to exercise preference rights wishing to exercise such rights shall make a 	<p>11.1. In the event of an equity increase through an issue of new shares:</p> <ul style="list-style-type: none"> a.) the Board of Directors shall inform the shareholders at the usual place where the Company makes its announcements, no later than within 30 days following the resolution about the equity increase, as well as about the opportunity and method for exercising subscription preference and supply information about the starting and closing day of the period available to exercise preference rights – no less than 15 days – as well as about the deadline for the declaration regarding the exercising of preference rights; b.) In the event of equity increase through private placement of new shares:



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declaration in the form and before the deadline set forth in the announcement stipulated under Section a.) about their intention to exercise the preference right. Such declaration shall stipulate the types, nominal value, quantity, issue value of the shares contemplated to be taken over, as well as the irrevocable commitment of the maker of the declaration for the subscription or takeover of the shares defined in the declaration and for the payment of the consideration corresponding to the issue value of the shares. If such written declaration of the shareholder is not received by the Company by 12 o'clock on the last day of the deadline set in the announcement, the shareholder shall be deemed not to wish to exercise his preference right.

Upon exercising preference rights, the entitled shareholder may acquire new shares in proportion to his shareholding versus the basic equity. In the event that upon exercising preference right, fractional shares result, they shall be rounded up to the next whole share. The shares resulting after the rounding up, can be distributed first among those shareholders wishing to exercise their right to subscribe, on a pro rata basis, who undertake to receive and pay for such additional shares.

11.2. Upon equity increase through the issue of new shares, the preliminary declaration for the receipt of the shares is not necessary and the General Meeting of Shareholders may not designate the shareholders to participate in the equity increase. Persons wishing to acquire the new shares shall, pursuant to the securities legislation, undertake in the course of the subscription procedure, to pay for the shares and thus become entitled to the shares.

11.3. If the new shares are issued through a private placement in exchange for cash consideration, the General Meeting of Shareholders may through a resolution adopted by a simple majority vote based on the substantiated proposal of the Board of Directors exclude the possibility of exercising preference rights.

The proposal of the Board of Directors in this context has to include the following information:

- reason for the equity increase;
- nominal value and issue value of the shares issued through the equity increase;
- detailed explanation why the preference right cannot be exercised, including the description of the resulting benefits to the Company;
- introduction of the persons entitled to receive the shares through the private equity increase;
- changes in the voting ratio as a result of the equity

shareholders entitled to exercise preference rights wishing to exercise such rights shall make a declaration in the form and before the deadline set forth in the announcement stipulated under Section a.) about their intention to exercise the preference right. Such declaration shall stipulate the types, nominal value, quantity, issue value of the shares contemplated to be taken over, as well as the irrevocable commitment of the maker of the declaration for the subscription or takeover of the shares defined in the declaration and for the payment of the consideration corresponding to the issue value of the shares. If such written declaration of the shareholder is not received by the Company by 12 o'clock on the last day of the deadline set in the announcement, the shareholder shall be deemed not to wish to exercise his preference right.

Upon exercising preference rights, the entitled shareholder may acquire new shares in proportion to his shareholding versus the basic equity. In the event that upon exercising preference right, fractional shares result, they shall be rounded up to the next whole share. The shares resulting after the rounding up, can be distributed first among those shareholders wishing to exercise their right to subscribe, on a pro rata basis, who undertake to receive and pay for such additional shares.

[Change in serial number only]

c.) Upon equity increase through the issue of new shares, the preliminary declaration for the receipt of the shares is not necessary and the General Meeting of Shareholders may not designate the shareholders to participate in the equity increase. Persons wishing to acquire the new shares shall, pursuant to the securities legislation, undertake in the course of the subscription procedure, to pay for the shares and thus become entitled to the shares.

11.2. If the new shares are issued through a private placement in exchange for cash consideration, the General Meeting of Shareholders may through a resolution adopted by a simple majority vote based on the substantiated proposal of the Board of Directors exclude the possibility of exercising preference rights.

The proposal of the Board of Directors in this context has to include the following information:

- reason for the equity increase;
- nominal value and issue value of the shares issued through the equity increase;
- detailed explanation why the preference right cannot be exercised, including the description of the resulting benefits to the Company;
- introduction of the persons entitled to receive the shares through the private equity increase;
- changes in the voting ratio as a result of the equity



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<p>increase of shareholders prior to the equity increase.</p> <p>The Board of Directors shall make such proposal no less than 15 days prior to the General Meeting of Shareholders resolving to exclude the exercise of preference rights.</p> <p>11.4. The General Meeting of Shareholders may - for a period of maximum five years – adopt a resolution to authorise the Board of Directors to increase the Company's equity by a certain amount. The authorisation shall stipulate the maximum amount (approved equity) by which the Board of Directors may increase the Company's equity during the five-year term. The authorisation of the Board of Directors for the equity increase shall at the same time represent a right as well as an obligation for the Board to adopt other decisions related to the equity increase, otherwise within the competence of the general meeting of shareholders pursuant to the law or the statutes, including, among others, the amendments to the statutes necessary, due to the equity increase.</p> <p>11.5. In the event that the Company's equity is raised using the Company's retained earnings, the shareholders of the Company are entitled to the new shares without consideration, pro-rata with the nominal value of their shares.</p>	<p>increase of shareholders prior to the equity increase.</p> <p>The Board of Directors shall make such proposal no less than 15 days prior to the General Meeting of Shareholders resolving to exclude the exercise of preference rights.</p> <p>11.3. The General Meeting of Shareholders may - for a period of maximum five years – adopt a resolution to authorise the Board of Directors to increase the Company's equity by a certain amount. The authorisation shall stipulate the maximum amount (approved equity) by which the Board of Directors may increase the Company's equity during the five-year term. The authorisation of the Board of Directors for the equity increase shall at the same time represent a right as well as an obligation for the Board to adopt other decisions related to the equity increase, otherwise within the competence of the general meeting of shareholders pursuant to the law or the statutes, including, among others, the amendments to the statutes necessary, due to the equity increase.</p> <p>11.4. In the event that the Company's equity is raised using the Company's retained earnings, the shareholders of the Company are entitled to the new shares without consideration, pro-rata with the nominal value of their shares.</p>
<p style="text-align: center;">REDUCTION OF THE COMPANY'S EQUITY</p> <p>12. The general meeting of shareholders may reduce the Company's equity and in the instances stipulated in the Companies Act, the reduction of the equity is mandatory.</p> <p>Should the law require the reduction of the equity; the Board of Directors has the right to initiate with the Court of Registration that the procedure related to the equity reduction be ordered.</p> <p>[Further provisions are unchanged]</p>	<p style="text-align: center;">REDUCTION OF THE COMPANY'S EQUITY</p> <p>12. The general meeting of shareholders may reduce the Company's equity and in the instances stipulated in the Civil Code, the reduction of the equity is mandatory.</p> <p>[Further provisions are unchanged]</p>
<p>13. General Meeting of Shareholders [Only the provisions affected by the change] The General Meeting of Shareholders made up of the entirety of the shareholders is the supreme organ of the Company. The General Meeting has the right to make decisions on matters within the competence of the Board of Directors, including those within the competence of the CEO. The following matters form the exclusive competence of the General Meeting. (a) decision about the establishment of and amendments to the Articles of Association – unless provided otherwise by the Companies Act or by the Statutes;</p>	<p>13. General Meeting of Shareholders [Only the provisions affected by the change] The General Meeting of Shareholders made up of the entirety of the shareholders is the supreme organ of the Company. The General Meeting has the right to make decisions on matters within the competence of the Board of Directors, including those within the competence of the CEO. The following matters form the exclusive competence of the General Meeting. (a) decision about the establishment of and amendments to the Articles of Association– unless provided otherwise by the Civil Code or by the Statutes;</p>



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<p>(b) decision on increase of the basic equity if the Company Act does not provide otherwise or authorization of the board of directors to increase the basic equity;</p> <p>(c) decision on reduction of the basic equity if the Company Act does not provide otherwise</p> <p>(f) decision regarding the Company's transformation, or dissolution of the Company into a different corporate form;</p> <p>(j) resolution – unless provided otherwise by the Companies Act - about the issue of convertible bonds, or bonds that entitle their holders to the right to subscribe for shares in the Company, establishing at the same time the method of subscription, the rights attached to the security, as well as the maturity of the shares and the terms for its redemption (repurchase);</p> <p>...</p> <p>(zs) decision on any other matter referred to the exclusive competence of the general meeting of shareholders by the relevant regulations or by these Articles of Association.</p>	<p>(b) decision on increase of the basic equity if the Civil Code does not provide otherwise or authorization of the board of directors to increase the basic equity;</p> <p>c) decision on reduction of the basic equity if the Civil Code does not provide otherwise</p> <p>(f) decision regarding the Company's transformation, or merger with another Company or dissolution of the Company into a different corporate form;</p> <p>(j) resolution – unless provided otherwise by the Civil Code - about the issue of convertible or converting bonds, or bonds that entitle their holders to the right to subscribe for shares in the Company, establishing at the same time the method, the series, the numbers and nominal value of subscription, the rights attached to the security, as well as the maturity of the shares and the terms for its redemption (repurchase);</p> <p>...</p> <p>(aa) decision on the sale of own shares of a value reaching or exceeding HUF 400 m;</p> <p>(bb) decision on any other matter referred to the exclusive competence of the general meeting of shareholders by the relevant regulations or by these Articles of Association.</p> <p>In case of Section (aa) the value of transactions executed in a financial year should be cumulated.</p>
<p>14. Annual General Meeting of Shareholders</p> <p>(d) discussion of the financial reports drawn up as per the Act on Accounting (balance sheet, profit and loss statement), approval of the balance sheet, resolutions on the allocation of net result, decision on the enterprise governance report; and assessment of the activity of the Board of Directors in the previous year and decision on grant of discharge of liability to the Members of the Board of Directors.</p> <p>(e) election of the auditor.</p>	<p>14. Annual General Meeting of Shareholders</p> <p>(d) discussion of the financial reports drawn up as per the Act on Accounting (balance sheet, profit and loss statement), approval of the balance sheet, resolutions on the allocation of net result, decision on the corporate governance report; and assessment of the activity of the Board of Directors in the previous year and decision on grant of discharge of liability to the Members of the Board of Directors.</p> <p>(e) election of the auditor if the appointment of the Auditor expires on the day of the given Annual General Meeting.</p>
<p>15. Extraordinary General Meeting of Shareholders</p> <p>15.1. The Board of Directors may call an extraordinary general meeting of shareholders if it is deemed necessary for the operation of the Company. The Board of Directors shall call the general meeting within eight days upon simultaneous information of the Supervisory Board in order to take the necessary measures in the event that it learns that the shareholders' equity of the Company declined to two-thirds of the basic equity as a result of losses, if the Company's equity declined to less than HUF 20 million or if it has discontinued payments and its assets can no longer cover its debts.</p>	<p>15. Extraordinary General Meeting of Shareholders</p> <p>15.1. The Board of Directors may call an extraordinary general meeting of shareholders if it is deemed necessary for the operation of the Company. The Board of Directors shall call the general meeting within eight days upon simultaneous information of the Supervisory Board in order to take the necessary measures in the event that it learns that the shareholders' equity of the Company declined to two-thirds of the basic equity as a result of losses, if the Company's equity declined to less than HUF 20 million or if it is threatened by insolvency, it has discontinued payments and its assets can no longer cover its debts.</p>



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<p>15.2. In the events defined by the Companies Act, the Supervisory Board, the Auditor or the Court of Registration and shareholders representing at least 5 (five) % of the basic equity of the Company, have the right to request the convocation of the general meeting of shareholders, indicating in writing the reason and the purpose of such meeting and providing at the same time proof of their being shareholders within the Company. The Board of Directors shall, in such cases, publish or send the invitation and the announcement of the general meeting of shareholders within 30 days of receipt of such request.</p>	<p>15.2. In the events defined by the Code Civil, the Supervisory Board, the Auditor or the Court of Registration and shareholders representing at least 1 (one) % of the basic equity of the Company, have the right to request the convocation of the general meeting of shareholders, indicating in writing the reason and the purpose of such meeting and providing at the same time proof of their being shareholders within the Company. The Board of Directors shall, in such cases, publish or send the invitation and the announcement of the general meeting of shareholders within 30 days of receipt of such request.</p>
<p>16. Convocation of the General Meeting of Shareholders</p> <p>16.1. The invitation to the general meeting of shareholders shall be published by the Board of Directors or any other person authorized in accordance with the provisions of section 15, in the form required for the announcements of the Company, at least 30 days – with the exception of section 15.3. – prior to the planned general meeting, as per section 35. The members of the Board of Directors and of the Supervisory Board, as well as the Auditor shall be informed about the convocation of the general meeting within a separate invitation, taking into consideration the above deadline.</p> <p>16.2 The official name and seat, the venue, date and time of the general meeting of shareholders, as well as the agenda and the terms for exercising voting rights, the closing date of the Register of shareholders, the information regarding when and where shareholders can inspect the proposals related to the agenda items and other documents, the provisions regarding the supplement of agenda as set forth in the Articles of the Association, as well as the time and date of the general meeting of shareholders repeated due to a lack of quorum shall be indicated in every invitation to and announcement of the general meeting of shareholders.</p> <p>The Board of Directors shall publish in the announcement of the general meeting of shareholders or in a separate announcement at least on the 21st day preceding the general meeting, - in the case of the annual general meeting of shareholders – at least the principal elements of the balance sheet, the proposal for the allocation of net result and of the reports of the Board of Directors and the Supervisory Board and in the case of all general meetings the summary of the submissions related to matters on the agenda together with the draft resolutions.</p>	<p>16. Convocation of the General Meeting of Shareholders</p> <p>16.1. The invitation to the general meeting of shareholders shall be published by the Board of Directors or any other person authorized in accordance with the provisions of section 15, in the form required for the announcements of the Company, at least 30 days – with the exception of section 15.3. – prior to the planned general meeting, as per section 36. The members of the Board of Directors and of the Supervisory Board, as well as the Auditor shall be informed about the convocation of the general meeting within a separate invitation, taking into consideration the above deadline.</p> <p>16.2. The method the general meeting is to be held, the official name and seat, the venue, date and time of the general meeting of shareholders, as well as the agenda and the terms for exercising voting rights, the closing date of the Register of shareholders, the information regarding when and where shareholders can inspect the proposals related to the agenda items and other documents, the provisions regarding the supplement of agenda as set forth in the Articles of the Association, as well as the time and date of the general meeting of shareholders repeated due to a lack of quorum shall be indicated in the invitation to and announcement of the general meeting of shareholders.</p> <p>The Board of Directors shall publish in the announcement of the general meeting of shareholders or in a separate announcement at least on the 21st day preceding the general meeting, - in the case of the annual general meeting of shareholders – the balance sheet, the proposal for the allocation of net result and the reports of the Board of Directors and the Supervisory Board and the submissions related to matters on the agenda together with the draft resolutions.</p>



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<p>16.5. The agenda of the General Meeting of Shareholders is established by the Board of Directors, it shall, however, include any item into the agenda if so requested by shareholders representing at least 1 (one) per cent of the votes indicating the cause if initiated by the Supervisory Board or by the auditor. Those entitled to make proposals can exercise their right to do so within 8 days following the publication of the announcement of the general meeting of shareholders.</p>	<p>16.5. The agenda of the General Meeting of Shareholders is established by the Board of Directors, it shall, however, include any item into the agenda if so requested by shareholders representing at least 1 (one) per cent of the votes indicating the cause and detailing the agenda item as required by the legal provisions pertaining to agenda items if initiated by the Supervisory Board or by the auditor. Those entitled to make proposals can exercise their right to do so within 8 days following the publication of the announcement of the general meeting of shareholders.</p>
<p>17. Quorum of the General Meeting, voting 17.1. The general meeting of shareholders shall have a quorum if shareholders representing more than half of the voting shares are present either in person or are represented by their proxies (including shareholders' proxies as well). Such authorizations to represent at the general meeting of shareholders shall be included in a public document or a private document with full probative power and shall be delivered to the keeper of the minutes at the date and venue indicated in the invitation but no later than at the beginning of the general meeting of shareholders.</p> <p>The shareholder's proxy cannot be a member of the Board of Directors, of the Supervisory Board or the chief executive employees of the Company except for the case such persons possess the shareholders' written voting instructions relative to each resolution. The Company's Auditor can not be the shareholder's proxy.</p> <p>The authorization for the representation is valid for a General Meeting of Shareholders and for the general meeting repeated for lack of quorum of the original meeting.</p>	<p>17. Quorum of the General Meeting, voting 17.1. The general meeting of shareholders shall have a quorum if shareholders representing more than half of the voting shares are present either in person or are represented by their proxies (including shareholders' proxies as well). Such authorizations to represent at the general meeting of shareholders shall be included in a public document or a private document with full probative power and shall be delivered to the keeper of the minutes at the date and venue indicated in the invitation but no later than at the beginning of the general meeting of shareholders.</p> <p>The shareholder's proxy cannot be a member of the Board of Directors, of the Supervisory Board or Company's Auditor.</p> <p>The authorization for the representation is valid for a General Meeting of Shareholders and for the general meeting repeated for lack of quorum of the original meeting.</p>
<p>17.5. On matters listed under sections (a), (c), (e), (f) and (q) of chapter 13, the general meeting adopts resolutions with an at least three quarters majority vote, on other matters a simple majority of the votes is required. Abstaining is regarded as a vote against the draft resolution.</p>	<p>17.5. On matters listed under sections (a), (c), (e), (f) (l) and (q) of chapter 13, the general meeting adopts resolutions with an at least three quarters majority vote, on other matters a simple majority of the votes is required. Abstaining is regarded as a vote against the draft resolution.</p>
<p style="text-align: center;">THE BOARD OF DIRECTORS</p> <p>19. Members of the Board of Directors 19.1. The number of board members is between 3 and 7 (three–seven) persons. The members of the Board of Directors are elected by the General Meeting of Shareholders for a definite period of time not exceeding five (5) years. Members of the Board of Directors can be recalled and can be re-elected at the end of their term. The term of the individual board members ends at the date stipulated in the</p>	<p style="text-align: center;">THE BOARD OF DIRECTORS</p> <p>19. Members of the Board of Directors 19.1. The number of board members is between 3 and 7 (three–seven) persons. The members of the Board of Directors are elected by the General Meeting of Shareholders for a definite period of time not exceeding five (5) years. Members of the Board of Directors can be recalled and can be re-elected at the end of their term. The term of the individual board members ends at the date stipulated in the</p>



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<p>resolution of the general meeting of shareholders adopted about the election of the board members. Members of the Board of Directors can be recalled and can be re-elected at the end of their term.</p>	<p>resolution of the general meeting of shareholders adopted about the election of the board members.</p>
<p>20. The operation of the Board of Directors The meeting of the Board of Directors can be called by the Chairman or by any two members. The relevant announcement together with the agenda of the meeting shall be delivered to those involved eight (8) days prior to the date of the meeting unless provided otherwise by the Procedures of the Board of Directors. The Board of Directors has the right to adopt resolutions in writing, via letter, facsimile or email, without actual meetings, upon initiative of the chairman or any two members of the Board of Directors. The proposal is sent to the members of the Board of Directors in writing by the chairman. The proposal shall be deemed to have been accepted if all board members inform the chairman in writing within 8 days of the receipt of such proposal that he agrees with the proposal in an unchanged form. The Board of Directors shall hold a meeting at least quarterly. The chairman of the Supervisory Board, as well as the auditor can be invited to such meetings.</p>	<p>20. The operation of the Board of Directors The meeting of the Board of Directors can be called by the Chairman or by any two members. The relevant announcement together with the agenda of the meeting shall be delivered to those involved eight (8) days prior to the date of the meeting unless provided otherwise by the Procedures of the Board of Directors. The Board of Directors has the right to adopt resolutions in writing, via letter, facsimile or email, without actual meetings, upon initiative of the chairman or any two members of the Board of Directors. The proposal is sent to the members of the Board of Directors in writing by the chairman. The proposal shall be deemed to have been accepted if the majority of the board members inform the chairman in writing within 8 days of the receipt of such proposal that he agrees with the proposal in an unchanged form. The Board of Directors shall hold a meeting at least quarterly. The chairman of the Supervisory Board, as well as the auditor can be invited to such meetings.</p>
<p>21. The competence and duties of the Board of Directors (h) decision on conclusion of contracts which fall within the usual course of business of the Company, does not relate to any existing deal and so result in new relationship with commitments, including L/Cs, guarantee, surety bond or similar deals, or mortgage liability, bank guarantee, purchase of debt, of equaling to or exceeding at least HUF 2 bn in case of normal commercial deals and equalling to or exceeding at least HUF 2 bn but not exceeding HUF 4 bn in case of other deals (j) decision on deals which fall within the usual course of business of the Company, in case of investments, assets purchase or sale, leasing or other deals of similar type with a particular value of equaling to or exceeding at least HUF 2bn but not exceeding at least HUF 4 bn. ... (cc) decision on any other matter not referred to the exclusive competence of the general meeting of shareholders or the Supervisory Board by virtue of law, by these Articles of Association or the resolution of the general meeting of shareholders.</p>	<p>21. The competence and duties of the Board of Directors (h) decision on conclusion of contracts which fall within the usual course of business of the Company, does not relate to any existing deal and so result in new relationship with commitments, including L/Cs, guarantee, surety bond or similar deals, or mortgage liability, bank guarantee, purchase of debt, of equaling to or exceeding at least HUF 2 bn in case of normal commercial deals and equalling to or exceeding at least HUF 2 bn but not reaching HUF 4 bn in case of other deals (j) decision on deals which fall within the usual course of business of the Company, in case of investments, assets purchase or sale, leasing or other deals of similar type with a particular value equaling to or exceeding at least HUF 2bn but not reaching at least HUF 4 bn. ... (cc) decision on the sale of own shares of a value not reaching HUF 400 m; (dd) decision on any other matter not referred to the exclusive competence of the general meeting of shareholders or the Supervisory Board by virtue of law, by these Articles of Association or the resolution of the general meeting of shareholders. In case of Section (dd) the value of transactions executed in a financial year should be cumulated.</p>



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<p>21.2. The Members of the Board of Directors shall act with the care generally expected of persons in similar positions. They are liable for the damages caused to the Company through breach of their obligations in accordance with the rules of the civil code.</p>	<p>21.2. The Members of the Board of Directors shall act with the care generally expected of persons in similar positions. They are liable for the damages caused to the Company through breach of their obligations in accordance with the provisions for liability for breach of contract as defined in the civil code.</p>
<p>24. The competence and duties of the Supervisory Board (c) to convoke the General Meeting if it is so required by the Company's interest, in particular, if the Supervisory Board learns any measurement, action or negligence in violation of law or in breach of the Articles of Association, or against the Company's interest.</p>	<p>24. The competence and duties of the Supervisory Board (c) to convoke the General Meeting if it is so required by the Company's interest, in particular, if the Supervisory Board learns any measurement, action or negligence in violation of law or in breach of the Articles of Association, General Meeting's resolution or against the Company's interest.</p>
<p>24.4. Audit Committee (a) From among the independent members of the Supervisory Board the general meeting of shareholders shall elect a three-member Audit Committee. If the Supervisory Board has three members, and all are independent pursuant to the law, they automatically become members of the Audit Committee. The members of the Audit Committee elect the chairman of the committee. If the members of the Supervisory Board automatically become members of the Audit Committee, then the chairman of the Supervisory Board and of the Audit Committee is one and the same person. The termination of the membership in the Audit Committee is governed by the rules for the termination of the membership in the Supervisory Board. The membership in the Audit Committee is also terminated if the membership in the Supervisory Board is terminated.</p> <p>(b) The Audit Committee shall [Only the provision affected by the change] - Prepare the contract to be concluded with the auditor ;</p>	<p>24.4. Audit Committee (c) From among the independent members of the Supervisory Board the general meeting of shareholders shall elect a three-member Audit Committee. If the Supervisory Board has three members, and all are independent pursuant to the law, they automatically become members of the Audit Committee by the resolution of the General Meeting. The members of the Audit Committee elect the chairman of the committee. If the members of the Supervisory Board are identical to the members of the Audit Committee, then the chairman of the Supervisory Board and of the Audit Committee is one and the same person. The termination of the membership in the Audit Committee is governed by the rules for the termination of the membership in the Supervisory Board. The membership in the Audit Committee is also terminated if the membership in the Supervisory Board is terminated.</p> <p>(b)The Audit Committee shall [Only the provision affected by the change] - Participate in the selection of the auditor and prepare the contract to be concluded with the auditor ;</p>
<p style="text-align: center;">THE AUDITOR</p> <p>25. The general meeting of shareholders shall elect for a period of one year an auditor listed in the registry of auditors. Following his election, the auditor is contracted by the management of the Company, in accordance with the general rules of the civil code. The auditor cannot be a founding member, shareholder, board member or Supervisory Board member of the Company, or the close relative of any of the above (section b) paragraph 685 of the Civil Code), or the employee of the Company for a period of three years after the termination of such office.</p>	<p style="text-align: center;">THE AUDITOR</p> <p>25. The general meeting of shareholders shall elect for a period of one year an auditor listed in the registry of auditors ("permanent auditor"). Following his election, the auditor is contracted by the management of the Company, in accordance with the general rules of the civil code. The auditor cannot be a founding member, shareholder, board member or Supervisory Board member of the Company, or the relative of any of the above (Section 2, Paragraph 8:1 of the Civil Code), or the employee of the Company for a period of three years after the termination of such office.</p>



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<p>32. Shareholders recorded in the Register of Shareholders in the starting day of the dividend payment are entitled to a dividend. The right to claim an uncollected dividend shall lapse after five years from when the dividend is due.</p>	<p>32. Shareholders recorded in the Register of Shareholders on the day of the General Meeting's resolution on dividend payment are entitled to a dividend. The right to claim an uncollected dividend shall lapse after five years from when the dividend is due.</p>
<p style="text-align: center;">GOVERNING LAW, DISPUTE RESOLUTION</p> <p>37. These Articles of Association shall be governed by the regulations in force of Hungarian law. The Company Act, the Act CXX of 2001 on the Capital Market, the Act CVI of 2007 on the state property, the Act CLII of 2007 on requirements of assets declaration, Act CXXII of 2009 on economical operation of public property companies, the Act CXCVI of 2011 on national property as well as other legislative provisions relevant to the Company, shall be applied to any and all issues not stipulated in these Articles of Association. For the resolution of any legal disputes arising among the shareholders and the Company out of, or in connection with these Articles of Association, the Company and the shareholders subject themselves to the exclusive competence of the permanent Court of Arbitration attached to the Hungarian Chamber of Trade and Industry. The Court of Arbitration shall act in accordance with its own Rules of Procedures.</p>	<p style="text-align: center;">GOVERNING LAW, DISPUTE RESOLUTION</p> <p>37. These Articles of Association shall be governed by the regulations in force of Hungarian law. The Act V of 2013 on the Civil Code, the Act CXX of 2001 on the Capital Market, the Act CVI of 2007 on the state property, the Act CLII of 2007 on requirements of assets declaration, Act CXXII of 2009 on economical operation of public property companies, the Act CXCVI of 2011 on national property as well as other legislative provisions relevant to the Company, shall be applied to any and all issues not stipulated in these Articles of Association. For the resolution of any legal disputes arising among the shareholders and the Company out of, or in connection with these Articles of Association, the Company and the shareholders subject themselves to the exclusive competence of the permanent Court of Arbitration attached to the Hungarian Chamber of Trade and Industry. The Court of Arbitration shall act in accordance with its own Rules of Procedures.</p>
<p>38. The Company is terminated if (b) it is merged with or amalgamated into another company, is dissolved or transformed into another corporate form;</p> <p>39. In the event that the Company is terminated through a liquidation or dissolution procedure, shareholders are entitled to a pro-rata portion of the assets to be distributed as a result of the liquidation or dissolution procedure. Tasks related to the dissolution procedure are performed by the members of the Board of Directors. Simultaneously with the adoption of the closing balance sheet, the general meeting of shareholders shall decide about the relief from office of the dissolution officers, the Board of Directors, the Supervisory Board and the auditor.</p>	<p>38. The Company is terminated if (b) it is merged with or amalgamated into another company, or is transformed into another corporate form;</p> <p>39. In the event that the Company is terminated through a liquidation or dissolution procedure, shareholders are entitled to a pro-rata portion of the assets to be distributed as a result of the liquidation or dissolution procedure.</p>

(Draft) resolution 6/2014.04.17 of the AGM:

In accordance with the proposal, the General Meeting approves the amendment of the Articles of Association and requests the CEO of the Company to set the consolidated memorandum and file it with the Court of Registration.

(Draft) resolution 7/2014.04.17 of the AGM:

According to the Paragraph 12 of the Act CLXXVII of 2013 on the Entry into Force of the Civil Code (Ptk) the General Meeting resolves that the Company continues its operation pursuant to and under the Act V of 2013 (the Civil Code).



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Item 4 on Agenda of General Meeting

Authorization of the Board of Directors to acquire own shares

(Draft) resolution 8/2014.04.17 of the AGM:

The General Meeting resolves to authorize the Board of Directors to acquire, through stock market transactions, 150,000 pcs own shares, with a face value of HUF 1,000 each registered dematerialized ordinary shares, from the Company's assets above the share capital, according to the Paragraphs 3:222 and 3:223 of the Act V of 2013 in order to safeguard the share price and/or facilitate the achievement of the strategic objectives of the Company.

The own shares may be acquired within 18 months from the date of this resolution.

The minimum purchase price shall be no less than the stock exchange average price weighted with the trading volume -10 per cent of five trading days before the acquisition while the maximum purchase price shall be no more than the stock exchange average price weighted with the trading volume +10 per cent of five trading days before the acquisition.



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Item 5 on Agenda of General Meeting

Extension of the Management Incentive Share Option Program

Shareholder's submission



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Item 6 on Agenda of General Meeting

Election of Board member(s) and setting the remuneration

The mandate of Mr. Alan Spencer expires on the day of the General Meeting in 2014.

According to 4/2012.06.19 AGM resolution, the Board of Directors consists of six members. Therefore one new member has to be elected by the AGM. In compliance with the preliminary agreements, the Board of Directors proposes to the General Meeting to re-elect Alan Spencer for 5 years as an unchanged member of the Board of Directors.

(Draft) resolution 9/2014.04.17 of the AGM:

The General Meeting re-elects ALAN SPENCER as a member of the Board of Directors as of the day following the day of the General Meeting for 5 years, i.e. as of April 18, 2014 for the period ending with the annual general meeting closing the business year 2018, until April 18, 2019, the latest with the same remuneration as the other Board members.



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Item 7 on Agenda of General Meeting

Election of the Auditor and setting the remuneration

The appointment of the auditor of the company expires on the day of the AGM. The Audit Committee, in agreement with the Supervisory Board, makes the proposal that the General Meeting charges **Deloitte Könyvvizsgáló és Tanácsadó Kft** again with the execution of the auditing tasks of Rába Group in 2014.

(Draft) resolution 10/2014.04.17 of the AGM:

The General Meeting appoints Deloitte Könyvvizsgáló és Tanácsadó Kft. as auditor for the period ending with the annual general meeting closing the financial year 2014, until April 30, 2015, the latest. Ms. Szilvia Binder (registered number: 003801) is the auditor in charge on behalf of the appointed company. The General Meeting authorises the Chairman-CEO of the company to conclude a contract with the auditor for the period of the appointment at an auditor fee of HUF 12.5 million + VAT.



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Item 8 on Agenda of General Meeting

Miscellaneous



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Rába Automotive Holding Plc.

**Agenda item 1 of the General Meeting
Attachment 1**

REPORT ON CORPORATE GOVERNANCE

2013



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1. General Comments

The Company

Rába Plc. is registered as a public limited company in Hungary by Győr Court of Justice as Court of Registration. The main market of RÁBA shares is the Hungarian Stock Exchange (BSE); so according to this, Rába takes into consideration the Hungarian Corporate Governance Policy and the obligatory legal regulations concerning to it.

RÁBA Group

RÁBA Plc controls RÁBA Group, which is one of the biggest automotive groups of Hungary. The main point of the effective integration of RÁBA Group is the successful coordination of the activity of the subsidiaries. RÁBA Group consists of RÁBA Plc. as parent company and Rába Axle Ltd, Rába Automotive Components Ltd, Rába Vehicle Ltd as subsidiaries.

2. The Board of Directors, Committees

2.1. The Board of Directors

2.1.1. Short description of the Board of Directors' operation/activity, presentation of division of responsibility and duty between the Board of Directors and Management.

The number of board members is between 3 and 7 persons. The members of the Board of Directors are elected by the General Meeting of Shareholders for a definite period of time not exceeding five (5) years. Members of the Board of Directors can be recalled and can be re-elected at the end of their term. According to the resolution of the General Meeting passed on June 19, 2012 the Board of Directors consists of 6 (six) members. The term of the individual board members ends at the date stipulated in the resolution of the general meeting of shareholders adopted about the election of the board members. Members of the Board of Directors can be recalled and can be re-elected at the end of their term.

The Board of Directors elects its chairman from among its own members.

Members of the Board of Directors may acquire a stake in other companies also engaged in activities identical with those of the Company, representing no business competition for the Company and can hold executive functions in such organizations. The executives shall inform the chairman of the Board of Directors without delay in writing about the stake or executive function held in such other business organizations.

Pursuant to Act CLII of 2007, the Members of the Board of Directors are required to declare their assets.

2.1.2. Authority and tasks of the Board of Directors

The Board of Directors shall be the executive organ of the Company. The Board of Directors shall, or respectively shall have a competence on

- a) represent the Company with regard to third parties, in courts and before other authorities, and may grant representation and signing right to the employees of the Company for a certain group of the Company's matters;
- b) establish and head the working organization of the Company, within which it shall establish the Organizational Rules and Procedures of the Company;
- c) manage the operation of the Company and define its business and strategic plan;
- d) provide for the preparation of the Company's balance sheet and profit and loss statement and propose the distribution of the profit;



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- e) provide for the regular keeping of the Company's books and accounts;
- f) publish and submit to the court of registration the balance sheet of the Company;
- g) report at least once a year to the general meeting of shareholders and at least quarterly to the Supervisory Board, regarding the management, assets and business policy of the Company;
- h) decision on conclusion of contracts which fall within the usual course of business of the Company, do not relate to any existing deal and thus result in new relationship with commitments, including L/C, guarantee, surety bond or similar deals, or mortgage liability, bank guarantee, purchase of debt, of equalling to or exceeding at least HUF 2 bn in case of normal commercial deals and equalling to or exceeding at least HUF 2bn but not reaching HUF 4 bn in case of other deals;
- i) with the exception of deals falling within the competence of the General Meeting as defined under Article 13 (o) of the Articles of Association, decision on approval of deals, which fall within the Company's usual course of business, reaching or exceeding HUF 2bn in case of long-term borrowing or credit agreements, short-term credit or borrowing agreements, or in case of loan relationship of whatever kind reaching or exceeding HUF 2bn.
- j) decision on deals which fall within the usual course of business of the Company, in case of investments, assets purchase or sale, leasing or other deals of similar type with a particular value of equalling to or exceeding at least HUF 2bn but not reaching HUF 4 bn;
- k) pursuant to prior approval of the Supervisory Board, it shall approve the interim balance sheet of the Company, provided that such interim balance sheet is necessary pursuant to the decision to acquire treasury shares and/or to pay of a dividend advance as resolved (in case the General Meeting of Shareholders brings a resolution to purchase treasury shares or the Articles of Association authorizes the Board of Directors to pay a dividend advance);
- l) decide about the acquisition of treasury shares if it is necessary to avoid serious damage threatening the Company; upon such acquisition of shares the Board of Directors shall inform the next general meeting of shareholders about the reason for the acquisition of treasury shares, the number, total nominal value of shares acquired and the ratio of such shares to the equity of the Company and the consideration paid;
- m) execute the resolution of the general meeting of shareholders regarding the acquisition of treasury shares;
- n) initiate the listing of the Company's shares;
- o) decide about the site or branch location of the Company and – with the exception of the core activity – about the activities of the Company and the related amendment to the Articles of Association;
- (p) have the right to decide on all matters not falling in the exclusive competence of the general meeting of shareholders pursuant to law or the Articles of Association of the Company or the resolution adopted by the general meeting.

Members of the Board of Directors shall act with the care generally expected of persons in similar positions. They are liable for the damage caused to the Company through breach of their obligations in accordance with the rules of the civil code.

The Member of the Board cannot be held liable if

- a) he made his objection to the resolution or action of the Board of Directors clear at the meeting of the Board;
- b) he was not present at the meeting and made his objections in writing to the Chairman of the Supervisory Board within 10 days of receipt of the minutes taken at the meeting;



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c) he indicated the negligence or default he noticed to the authorized organ to allow action to be taken in time.

Upon initiative of the board member involved, the Board of Directors shall within 8 days, take action to have the general meeting of shareholders of the Company convened. Should the Board of Directors fail to discharge such obligation, the general meeting can be convened by the Supervisory Board.

Any member of the Board of Directors has the right to request information from any employee of the Company, which information the employees shall provide without delay.

The Board of Directors exercises the other employer's rights in relation to the CEO (especially giving holidays, granting business trips, etc), if he is employed by the Company, except the fundamental employer's rights which form the exclusive competence of the General Meeting.

All matters and decisions not belonging to or drawn to the exclusive competence of the general meeting or of the Board of Directors, shall belong to the sphere of competence of the CEO. The CEO exercises the fundamental employer's rights in relation to the employees of the Company except for those as stipulated under the Article 13 (g) and 21.1 (z) of the Articles of Associations. The other employer's rights (especially giving holidays, official business trips, etc) can be transferred to other employees of the Company within the framework of the Organizational Rules and Procedure of the Company.

Pursuant to Act CLII of 2007, the CEO is required to make declaration of assets.

2.1.3. Members of Board of Directors

István Pintér

Chairman of the Board of Directors (not independent)

Currently he is the president and the chief executive officer of the Rába Automotive Holding Plc., and the managing director of Rába Axle Ltd.

He has graduated as follows: in 1980: at the Technical College of Győr at the Faculty of transport engineering, in 1983 at Technical University of Budapest at Complex Systems, in 1989 ACIL (USA) at Emerging Leader Program, in 1990 at ABB (Germany - Sweden) at Staff development program, in 1992 at New York State University at Buffalo at Executive Management Program, in 1993 at JICA JAPAN at Production Management, in 1993 at University of Hatfield at TEMPUS workshop, in 1996 at Brunel University (UK) at Master of Business Administration (MBA), and in 2000 at Newport University (USA) at Ph. D.

He speaks upper level English.

He is working by Rába since 1980. He has got the following experiences at the company: 1980-82: Shop floor engineer, RÁBA Axle plant, 1982-85: Process Engineer, RÁBA Engine plant, 1985-88: Specialist, COPICS Technical database, 1988-93: Manager, CAD/CAM/CAE Department, RÁBA Plc, 1993: Project Manager, Corporate restructuring and PHARE Affairs, RÁBA Plc. 1995: Manager Corporate IT, RÁBA Plc., 1997: Director (Des.) Corporate IT & Organization Development, 1998: Director, Corporate IT & Organization Development, 2000: Deputy CEO, Chief Strategic Officer. Between 2000 and 2003 he was the assistant CEO and the strategic director of Rába Plc. Since 2003 he is the CEO of Rába Plc, then since 2004 he is the managing director of Rába Axle Ltd. Also, and in 2005 he has been elected as the president of Rába Automotive Holding Plc.

Alan Spencer

Member of the Board of Directors (independent)

He took his degree at Oxford University in 1955, and then he started to work at Ford Motor Company. During more than 40 years of his professional career he worked as manager in many fields,



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and he has comprehensive experience in the automotive industry in the United Kingdom, in Germany, in the USA and in Russia.

After his retirement in 1992 he was active as an advisor at Coopers and Lybrand. He is also member of the Board of Directors of the Russian automotive NEFAZ Company and at KAMAZ Leasing Tatarstan Russia. He is chairman of the Audit Committee at the GM/AVTOVAZ J/V non executive director Bharat Forge Ltd. India, and member of the Board of Trustees at Chetham's School of Music.

He speaks French and German fluently.

Dr. Tibor Zoltán Hajdu

Member of the Board of Directors (independent)

He graduated in economics from the Financial Faculty of the Budapest University of Economics and then in law from the Faculty of Law and Political Sciences of the Szeged University of Sciences.

He worked as a trade manager at the newly established Budapest Stock Exchange in 1991. Between 1991 and 1998 he was employed by Deloitte & Touche in various positions in the field of auditing and financial consulting. He managed IAS and HAS audits, assessments and high-value M&A transactions. In 1994 he worked at the Chicago (USA) office of Deloitte & Touche. In 1999 he was appointed as general manager to the Hungarian company of Duff & Phelps Credit Rating Co. Between 2000 and 2010 he worked in various positions at the financial consulting department of KPMG. He managed the set-up and development of the Hungarian restructuring business of KPMG. He supervised numerous reorganization, restructuring, assessment and financial consulting assignments for banks and for medium-sized and large domestic and international companies in various industries.

He has been employed by MNV Zrt. since 2011 as a director responsible for companies. His tasks include the supervision and owner control of industrial, transport, energy, utility and other manufacturing, public benefit and service companies.

Foreign languages: English

Dr. József Steigler

Member of the Board of Directors (independent)

He graduated in economics from the Financial Faculty of Budapest University of Economics, where later he obtained a Ph D degree. He took a special exam in public administration in 1999.

Between 1980 and 1996 he served as a commissioned officer of defence in different professional positions.

Between 1996 and 2011 he was engaged in chief officer's tasks in the field of tax declaration processing and handling of current accounts at the tax authority.

Since 2011 he has been a chief professional officer in charge of different professional positions at the Ministry of Defence.

Dr. Péter Székács

Member of the Board of Directors (independent)

He graduated in economics from the Faculty of Foreign Trade of the Budapest University of Economics, where he later obtained a doctorate. He took a special exam in public administration in 2003.

Between 1975 and 1981 he was employed by Monimpex foreign trade company. Between 1981 and 1988 he worked as head of liaisons at the Ministry for Foreign Trade and then as commercial secretary at the Hungarian Embassy in Tokyo. Between 1988 and 1991 he was employed by Bu-



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dapest Bank Zrt. as director and then as managing director in the field of capital markets and investments. Between 1991 and 1997 he was presidential counsellor and then investment director at Corvinbank Ipari Fejlesztési Bank Zrt. Between 1997 and 1998 he worked as head of division at the Finance Ministry's Secretariat for Bank Consolidation and Privatization. He was employed by ÁPV Rt. (State Privatization and Holding Company) in various positions from 1998 to 2002. Between 2002 and 2004 he was head of division at the Finance Ministry's Division for Infrastructure and Business Regulation. In 2004-2005 he was a counsellor of Hitelgarancia Rt. Between 2005 and 2010 he worked as the managing director of the National Deposit Insurance Fund.

Since 2010 he has been working as the deputy junior minister responsible for asset management at the Ministry of National Development.

Foreign languages: English, Japanese and Russian.

György Wáberer

Member of the Board of Directors (independent)

He graduated from the Technical College for Transport and Telecommunication and from SZÁ-MOK.

He worked for Volán no. 3, Volán Elektronika and Volán Tefu Rt. The latter was successfully privatized by him and his colleagues in 1994. As general manager ordering restructuring and IT/asset development projects, he was able to save the company from bankruptcy and to turn it into a profitable venture in a short time. Through more than thirty company acquisitions (including the purchase of Hungarocamion) and organic growth, he has turned the company into the sixth biggest road forwarding venture in Europe during the past 18 years.

He is the founder, Chairman-CEO and co-owner of Waberer's International Zrt.

He was the chairman of the Association of Hungarian Road Haulers between 2005 and 2010. He was decorated with prestigious state awards.

2.2. Supervisory Board and Audit Committee

2.2.1. Supervisory Board

The supervision of the Company's executive management is performed by the Supervisory Board.

The Supervisory Board of the Company is made up of three members elected by the general meeting of the Company.

The members of the Supervisory Board are elected for a definite period of time, no longer than five years. Members of the Supervisory Board can be re-elected or recalled. The term of a member of the Supervisory Board elected through interim election, shall expire when the term of the other members of the Supervisory Board expire.

Members of the Supervisory Board shall elect a chairman from among themselves through simple majority vote.

The chairman of the Supervisory Board shall call and chair the meetings of the Supervisory Board, appoints the keeper of the minutes, orders voting and establishes the outcome of the voting.

The Supervisory Board has a quorum if at least two thirds of its members but no less than 3 members are present at the meeting. The Supervisory Board adopts its resolutions through simple majority vote. In the event of a tie vote the vote of the chairman shall be decisive. The Supervisory Board can, upon the initiative of its chairman, decide to have a meeting via telephone conference or the members may adopt a written resolution without a meeting, based on submissions and draft resolutions sent to the members in advance. The technical requirements of phone conference meeting have to be provided by the Company so all members and those invited are provided with the electronic access during the entire period of the conference phone-call session.



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Any member of the Supervisory Board may call its meeting indicating its cause and purpose, if such request is not met by the chairman within eight days.

Members of the Supervisory Board may acquire a stake in other companies also engaged in activities identical with those of the Company, representing no business competition for the Company and can hold executive functions in such organizations. The executives shall inform the chairman of the Supervisory Board without delay in writing about the stake or executive function held in such other business organizations. The chairman of the Supervisory Board informs the chairman of the Board of Directors by sending a copy of the report.

2.2.1.1. Competent and duties of Supervisory Board

The Supervisory Board shall

- a) supervise the executive management of the Company;
- b) inspect any report or motion of the Board of Directors made to the general meeting of shareholders and report to the general meeting of shareholders about the outcome of such inspection,
- c) call the general meeting of shareholders if it is necessary in the interest of the Company, especially if it learns about any action, measure or default in breach of the law or of the Articles of Association of the Company;
- d) inspect the executive management of the Company if it is requested by the shareholders representing 10% of the Company's equity indicating the cause and the purpose;
- e) review the issues put forward by the Board of Directors and formulate a position on such matters;
- f) discuss the proposal of the Board of Directors to the Audit Committee for the Auditor. The Audit Committee makes a proposal to the General Meeting for the Auditor agreed with the Supervisory Board.
- g) express the opinion previously on the performance requirements for the employees defined by Section 208 (1) and (2) of the Act on Labour Code and the connected remuneration (payment according to performance or other remunerations);
- h) perform other tasks stipulated in the regulations and in the Articles of Association of the Company.

The Supervisory Board has the right to request information and report on all matters of the Company from any Board member, officer or employee in executive position of the Company and has the right to inspect or have inspected by an expert all accounts, books, bank accounts, documents and files of the Company at the expense of the Company.

The Supervisory Board establishes its own procedures and submits it to the general meeting for approval.

2.2.1.2. Members of Supervisory Board

Dr. Csaba Polacsek

Chairman of the Supervisory Board (independent)

Mr. Polacsek studied at the Budapest University of Economic Sciences and at the Groningen Business School (The Netherlands). He obtained his masters degree and earned his doctorate at the Budapest University of Economic Sciences.

He is a Chartered Accountant registered in Hungary and a CPA registered in the United States. Mr. Polacsek possesses a stock exchange qualification from the Budapest Stock Exchange.

He was working for Deloitte & Touche from 1991 until 1997 in Budapest and in the United States. After that, he spent almost ten years with Creditanstalt/UniCredit-group, first in corporate finance, where he became a Board member at CAIB Securities Ltd in 2000 and then he became Head of



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Structured Finance in 2004. He was the regional director of Arcadom Ltd in charge of Southern Europe between 2007 and 2009, then the Managing Director of FHB Mortgage Bank between 2009 and 2010.

He has been Head of Corporate Portfolio of the Hungarian State Holding Company since June 2010. Dr. Polacsek has been involved in numerous M&A, privatization and capital markets transactions (MOL, Richter, OTP, FHB, MNV-bonds exchangeable into Richter shares).

Foreign languages: English, German and Serbian

Dr. Tamás Berencsi
Member of the Supervisory Board (independent)

Dr. János Kerékgyártó
Member of the Supervisory Board (independent)

He is 33-year old and married with three children.

He studied at the Faculty of Law and Political Sciences of the Eötvös Lóránd University of Sciences where he graduated in law in 2002. Then he took a special exam in economics (2005) and in law (2006).

Between 2002 and 2007 he was employed by the Ministry for Economy and Transport and the Ministry for Transport, Telecommunications and Energy, where he held various positions and was responsible mainly for tasks related to the organization, regulation and financing of public passenger transport services by rail and road.

In 2007 he was appointed as deputy head of division and in July 2011 he was elected as head of division at the Division for Transport Services. He was the Ministry's delegate in the management board of numerous companies with majority state ownership. Currently, he is the chairman of the supervisory board of MÁV Felépitménykarbantartó és Gépjavító Kft. and a board member of VOLÁNBUSZ Zrt.

Foreign languages: English and German.

2.2.2. Audit Committee

From among the independent members of the Supervisory Board the general meeting of shareholders shall elect a three-member Audit Committee. If the Supervisory Board has three members, and all are independent pursuant to the law, they automatically become members of the Audit Committee. The members of the Audit Committee elect the chairman of the committee. If the members of the Supervisory Board automatically become members of the Audit Committee, then the chairman of the Supervisory Board and of the Audit Committee is one and the same person. The termination of the membership in the Audit Committee is governed by the rules for the termination of the membership in the Supervisory Board. The membership in the Audit Committee is also terminated if the membership in the Supervisory Board is terminated.

The Audit Committee shall

- formulate its opinion on the statutory accounts;
- follow the auditing of the financial statements drawn up as per the Act on Accounting;
- make a proposal to the General Meeting for the auditor and its remuneration agreed with the Supervisory Board;
- prepare the contract to be concluded with the auditor;
- monitor the enforcement of the professional requirements towards and the prescription of independency of and conflicts of interest with the auditor, perform the tasks related to the cooperation with the auditor, monitor the other services provided by the auditor for the Company except



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the auditing of the financial statements drawn up as per the Act on Accounting and make proposal to the Board of Directors for measures to be taken if it is necessary;

- evaluate the operation of the financial reporting system and proposal for the necessary actions and
- support the work of the Board of Directors and of the Supervisory Board in the interest of the appropriate control of the financial reporting system;
- monitor the efficiency of the internal controlling and risk management systems.

The Audit Committee shall – unless it is composed automatically of the members of the Supervisory Board – prepare its own procedures. If it is composed automatically of the members of the Supervisory Board, its procedures are identical with those of the Supervisory Board.

2.3. Meetings of Board of Directors, Supervisory Board and Audit Committee

Rába's Board of Directors had got 5 times General Meeting and 5 times written voting in 2013, with an average attendance of 83.33 per cent.

The Supervisory Board and the Audit Committee had got 4 times general meeting and 1 time written voting in 2013, always with an attendance of 100%.

2.4. Principles to take in consideration at the evaluation of the work of Board of Directors, Supervisory Board, Management and their members

The base of the evaluation of the Board of Directors' and Management' work is the strategy and the business plan.

The Board of Directors makes a detailed on analysis based strategy plan generally for 4 years. This plan will be controlled every year and does the necessary updates. With the evaluation of the work done for realizing the plan the Committee qualify the correctness of the strategy and evaluate itself work.

The work of the CEO and the deputy CEO will be evaluated through the fulfilment of the business plan. This evaluation will take place formally at the last Board of Directors' Meeting before the AGM, when they determine the payable amount of annual bonus for the CEO and the deputy CEO.

The annual work of the management will be evaluated by the CEO in framework of the „annual personal efficiency evaluation” (APEE). The payable amount of the bonus is determinate by fulfilment of business and personal targets.

The Supervisory Board expresses the opinion previously on evaluation of the performance of the CEO, its deputy and the directors of Plc.

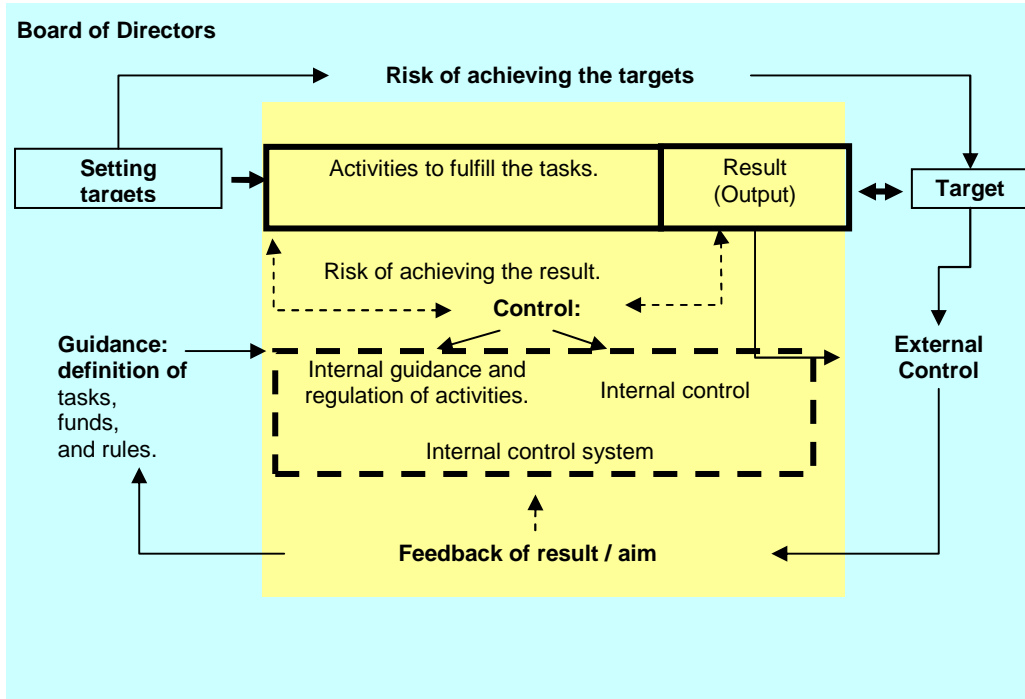
The evaluation of the work of the CEO and the deputy CEO will be documented in the records of the Board of Directors' Meeting, and it of the management will be documented on the personal efficiency evaluation sheets.

3. Presentation of internal controls' system

The target of the internal control is fulfilling with a required quality the defined tasks of the organization:

- to fulfil its economic activities regularly, economically, efficiently and effectively;
- to be in accordance with the relative rules and regulations of law;
- to satisfy completely the demand of buyers in time.

Approach based on risks:



3.1. The internal control system of the Company is based on two main principles:

- Internal guidance and regulation of activities
- Internal control

3.1.1. Internal coordination and regulation of the activity

- Rába's management exercises the internal controls in different levelled and regulated (daily, weekly, monthly) manager meetings. To handle the risks defined at meetings immediate arrangements will be made.
- The economic processes of the company and their persons in charge will be guided and controlled by written managing-, procedure- and work rules, which are updated time to time continually.

3.1.2. Internal control

The acting internal control organization works under the supervision of the Supervisory Board. It does its activity based on and according to the approved yearly audit plan, which will be completed with ad-hoc monitoring.

The audits done during 2013 didn't found any deficiency dangerous for the operation of the company or for the interests of shareholders. There was any offence against law. All the deficiencies written in the audit reports are solved, and all the proposals of these reports are launched.

3.1.3. Risk management

To the operation of the company it is essential to manage the risk aspects. Rába Plc's production, products, sale, markets and customers mean different risks to the company. The company's risk management for the effective activity is based upon two pillars:

- 1./ Assurance of the conditions of the operation and production



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The company minimizes the risks in relation to the continuous course of business by the planned maintenance of the key producing equipments, the realization of the investments in accordance with the strategic plan and the plans prepared for the unexpected production stop (outsourcing). The risks are managed at different levels according to its measures and seriousness.

2./ Financial risk management

The financial risk management is specialized in short, market risks. The main means applied now or applicable by managing the financial risks:

- to enter into swap, forward and option FX transactions
- to apply customer insurance
- to apply property insurance
- to operate an internal supplier, customer qualification system

4. Activity of the auditor

In the year 2013 the audit of Rába Group was done by Deloitte Könyvvizsgáló és Tanácsadó Kft Ms. Szilvia Binder is the auditor in charge on behalf of the appointed company. The company hasn't done any activities contrary /out of the audit.

5. Publication policy, insider people

In its publication policy Rába Plc. uses statutory and required rules according to the publicize rules and regulations of law, the rules of Budapest Stock Exchange and the rules of its own articles of associations. The places of publicize are: the website of the company (www.raba.hu) and the official website of Budapest Stock Exchange according to the articles of associations; and the website of Hungarian Financial Supervisory Authority.

According to 201/D. § (1) paragraph of Capital Market Law Rába Plc. ensures that the records concerning persons with access to insider information, working for Rába in labour relation or in other quasi contract, are kept in accordance with the provisions of the law. The list of these people, and the number of by their owned shares the company publicizes in its quarterly reports during the year also. Directives of Capital Market Law are valid to the insider people.

6. Annual General Meeting, votes

6.1. Annual General Meeting

The General Meeting of Shareholders made up of the entirety of the shareholders is the supreme organ of the Company. The General Meeting has the right to make decisions on matters within the competence of the Board of Directors, including those within the competence of the CEO.

The following matters form the exclusive competence of the General Meeting:

- a) decision about the establishment of and amendments to the Articles of Association – unless provided otherwise by the Companies Act or by the Articles of Association;
- b) decision about the increase of the Company's equity or authorization of the Board of Directors to increase the equity - unless provided otherwise by the Companies Act;
- c) reduction of the equity, unless provided otherwise by the Companies Act;
- d) decision about the exclusion of the exercise of subscription preference right; or about the authorization of the Board of Directors to restrict or exclude the subscription preference right;
- e) conversion of the rights attached to the individual share series and conversion of the individual share types and classes;



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- f) decision regarding the transformation of the Company or regarding the dissolution of the Company without legal successor;
- g) exercise of the substantial employer's rights (establishment or termination of employment, amendment of the labour contract, determination of the remuneration and pecuniary compensation, except the determination of the performance requirements and the connected remunerations (payment according to performance or other remunerations) which form the competence of the Board of Directors according to authorization given by the Section 207 (5) of the Act of Labour Code and according to the Article 21.1. z) of the Articles of Association) in relation to the CEO, if it is employed by the Company, and to the CEO's deputy(s) defined by Section 208 (1) of the Act on Labour Code;
- h) election, recall of the members of the Board of Directors, of the Supervisory Board and of the Audit Committee as well as of the Auditor, and establishment of their remuneration;
- i) approval of the Company's financial reports drawn up as per the Act on Accounting, including the decision on the use of the after-tax profits;
- j) resolution – unless provided otherwise by the Companies Act - about the issue of convertible bonds, or bonds that entitle their holders to the right to subscribe for shares in the Company, establishing at the same time the method of subscription, the rights attached to the security, as well as the maturity of the shares and the terms for its redemption (repurchase);
- k) decision about the approval of the report on corporate governance;
- l) decision about the request for the delisting of the Company's shares at any stock exchange or other listing system;
- m) decision on conclusion of contracts which fall within the usual course of the Company's business activity but do not fall within the scope of commercial deals under the Company's business activity and do not relate to any existing deal and thus result in new relationship with commitments, including L/C, guarantee, surety bond or similar deals, or mortgage liability, bank guarantee, purchase of debt, etc, of equalling to or exceeding at least HUF 4bn ;
- n) approval of the conclusion of contracts outside of the usual course of business of the Company, resulting in the sale, investment into another company, encumbrance or the transfer to any third party of any right, property or asset exceeding HUF 400 million;
- o) decision on approval of deals which fall within the usual course of business of the Company and result in new relationship with commitments reaching or exceeding HUF 4bn in case of long-term borrowing or credit agreements, particular short-term credit or borrowing agreements resulting in increase of credit stock, or in case of any new loan relationship of whatever kind reaching or exceeding HUF 4bn, and, further decision on approval of deals of long-term borrowing or credit agreements, particular short-term credit or borrowing agreements or any new loan relationship of whatever kind irrespective of the value of such deals if such commitments of the Company Group exceed HUF 20bn at the time of the conclusion of such transactions.
- p) decision on decision on deals which fall within the usual course of business of the Company in case of investments, assets purchase or sale, leasing or other deals of similar type with a particular value of reaching or exceeding at least HUF 4bn;
- q) decision about the changing of the operating form of the Company;
- r) decision – unless provided otherwise by the Articles of Association – about the payment of a dividend advance;
- s) authorization of the Board of Directors to purchase treasury shares and to accept public purchase offers received for treasury shares;
- t) decision about steps to be taken to disrupt the public offering procedure;
- u) approval of the Rules of Procedure of the Supervisory Board;



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- v) evaluation of the activity of the Board of Directors pursued during the preceding business year and decision on discharge of liability to be granted to the Members of the Board of Directors;
- w) decision about the Remuneration Statement and about its modification, which shall be deposited in the documents of the Company within 30 days from the date of the decision about it;
- x) decision about foundation or termination of economic organization, about having interest in economic organization and about transmission of interest in economic organization;
- y) decision on employee's shareholder programme, share provision programme for the employees and any other programme for share incentive relative to the Company's management or employees;
- z) decision on the issue of letter of authorization for the participation in the cession of the Company's subsidiaries' supreme body or on the resolution, respectively, (Resolution of the Founder) in the following matters:
 - decision on conclusion of contracts which fall within the usual course of business of the subsidiary but do not fall within the commercial deals under usual course of business, further do not relate to any existing deal and thus result in new relationship with commitments, including L/C, guarantee, surety bond or similar deals, or mortgage liability, bank guarantee, purchase of debt, of equalling to or exceeding at least HUF 2bn in case of normal commercial deals and equalling to or exceeding at least HUF 4bn
 - decision on approval of conclusion of contracts which fall within the usual course of business of the Company, in case of sale, investment into another company, burden, transfer of right of use, possession or disposal of any right, property or assets with a value of exceeding at least HUF 400million.
 - decision on approval of deals which fall within the usual course of business of the subsidiary and result in new relationship with commitments reaching or exceeding HUF 4bn in case of long-term borrowing or credit agreements, particular short-term credit or borrowing agreements resulting in increase of credit stock, or in case of any new loan relationship of whatever kind reaching or exceeding HUF 4bn, and, further decision on approval of deals of long-term borrowing or credit agreements, particular short-term credit or borrowing agreements or any new loan relationship of whatever kind irrespective of the value of such deals if such commitments of the Company Group exceed HUF 20bn at the time of the conclusion of such transactions.
 - decision on deals which fall within the usual course of business of the subsidiary, in case of investments, assets purchase or sale, leasing or other deals of similar type with a particular value of not exceeding reaching at least HUF 4Mrd.
- zs) decision on any other matter assigned to the executive competence of the general meeting of shareholders by the relevant regulations or by the Articles of Associations.

6.1.1. Annual General Meeting

The annual general meeting of shareholders shall be held once every year, before the date stipulated by the law.

The agenda of the annual general meeting of shareholders shall include at least the following items:

- a) report of the Board of Directors on the activity of the Company during the preceding business year;
- b) report on the Company's financial statements drawn up as per the Act on Accounting, proposal of the Board of Directors for the approval of the normal and consolidated balance sheet as well as proposal for the allocation of the net result; and the submission of report on the Corporate Governance;



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- c) written report of the Supervisory Board and the auditor on the annual financial statements, the report drawn up as per the Act on Accounting, and the allocation of the net result and the proposal for the dividend;
- d) discussion of the financial statements drawn up as per the Act on Accounting (balance sheet, profit and loss statement), establishment of the balance sheet, resolution on the allocation of net results, decision regarding the corporate governance report and assessment of the activity of the Board of Directors performed in the previous year and decision on discharge of liability to be granted to the Members of the Board;
- e) election of the auditor;

6.1.2. Extraordinary General Meeting

The Board of Directors may call an extraordinary general meeting of shareholders if it is deemed necessary for the operation of the Company. The Board of Directors shall call the general meeting within eight days upon simultaneous information of the Supervisory Board in order to take the necessary measures in the event that it learns that the shareholders' equity of the Company declined to two-thirds of the equity as a result of losses, if the Company's equity declined to less than HUF 20 million or if it has discontinued payments and its assets can no longer cover its debts.

In the events defined by the Companies Act, the Supervisory Board, the Auditor or the Court of Registration and shareholders representing at least 5 % of the equity of the Company, have the right to request the convocation of the general meeting of shareholders, indicating in writing the reason and the purpose of such meeting and providing at the same time proof of their being shareholders within the Company. The Board of Directors shall, in such cases, publish or send the invitation and the announcement of the general meeting of shareholders within 30 days of receipt of such request.

In the event that due to the position of the shareholders related to the public offering made for the shares of the Company or subsequent to the successful public offering procedure an extraordinary general meeting is convened upon the initiative of the entity acquiring control in the Company, the general meeting of shareholders shall be called at least 15 days in advance.

6.2. Convocation of a meeting of shareholders

The invitation to the general meeting of shareholders shall be published by the Board of Directors or any other person authorized in accordance with the provisions of Article 15 of the Articles of Associations in the form required for the announcements of the Company, at least 30 prior to the planned general meeting (except the extraordinary general meeting convoked due to public offering). The members of the Board of Directors and of the Supervisory Board, as well as the Auditor shall be informed about the convocation of the general meeting within a separate invitation, taking into consideration the above deadline.

The official name and seat, the venue, date and time of the general meeting of shareholders, as well as the agenda and the terms for exercising shareholder's rights and the closing date of the Shareholders' Register, together with the information regarding when and where shareholders can inspect the proposals related to the agenda items and other documents and the conditions for the supplementation of the Agenda as included in the Articles of Association, as well as the information about the time and date of the general meeting of shareholders to be repeated due to a lack of quorum shall be indicated in every invitation to and announcement of the general meeting of shareholders. The Board of Directors shall publish in the announcement of the general meeting of shareholders or in a separate announcement at least on the 21st day preceding the general meeting, - in the case of the annual general meeting of shareholders – at least the principal elements of the balance sheet, the proposal for the distribution of the profit and of the reports of the Board of Directors and the Supervisory Board and in the case of all general meetings the summary of the proposals related to matters on the agenda together with the draft resolutions.



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On matters not included in the agenda published, the general meeting of shareholders may only adopt a resolution if all shareholders are present and they have granted their unanimous consent to the inclusion of a new agenda item.

The general meeting of shareholders shall be held at the seat of the Company or at any other venue established by the Board of Directors.

The agenda of the General Meeting of Shareholders is established by the Board of Directors. However, the Board of Directors may be requested in writing to include any item into the agenda by shareholders representing at least 1 per cent of the votes indicating the cause and, such shareholders may also submit draft resolutions regarding the items on agenda. The shareholders may exercise their rights of proposals regarding the items on agenda within 8 days following the publication of the invitation to the general meeting of shareholders along with the justification of their at least 1 per cent of votes.

6.3. Quorum, vote at General Meeting

The general meeting of shareholders shall have a quorum if shareholders representing more than half of the voting shares are present either in person or are represented by their proxies (including shareholders' proxies as well). Such authorizations to represent at the general meeting of shareholders shall be included in a public document or a private document with full probative power and shall be delivered to the representative of the Board of Directors no later than during the registration procedure taken place prior to the General Meeting of Shareholders. The same formal requirements shall be applicable to the withdrawal of the authorization as those for the grant of the authorization. The member of the Board of Directors, the Supervisory Board Member or a Chief Executive Employee of the Company can not be a shareholder's proxy except if such persons, empowered as proxies, are provided with written and clear voting instructions in respect of each particular draft resolution by the shareholder empowering them. The auditor of the Company can not be a shareholder's proxy. The authorization for the representation is valid for a General Meeting of Shareholders and for the general meeting repeated for the lack of quorum of the original meeting.

In the event that the General Meeting of Shareholders fails to have a quorum even 30 minutes after the prearranged time of the meeting, the repeated general meeting with the same agenda shall be held within 21 days of the original general meeting. Unless it is excluded by the law, the general meeting repeated for lack of quorum can be convoked for the day of the original general meeting as well. Information regarding the convocation of the repeated general meeting shall be included in the invitation of the original general meeting of shareholders. The general meeting repeated for lack of quorum can resolve upon issues on the original agenda and shall have a quorum regardless of the proportion of the equity represented at the General Meeting of shareholders.

Those shareholders or shareholder's proxies are entitled to participate in and cast their votes at the general meeting of shareholders whose names are shown in the Shareholders' Register at the closing date of the Shareholders' Register, which Shareholders' Register is to be prepared on the basis of the identification of shareholders initiated by the Company

The method of the voting is established by the Board of Directors in such a way that the voting right has to be established on the basis of the number and nominal value of the shares.

Ballots are cast at the general meeting of shareholders through open voting. Upon initiative of the shareholders representing at least one tenth of the equity, confidential voting can be ordered on any given issue. The general meeting of shareholders shall elect a committee as teller of the votes, the members of which are proposed by the chairman of the general meeting.



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On matters listed under sections a), c), e), f) and g), the general meeting adopts resolutions with an at least three quarters majority vote, on other matters a simple majority of the votes is required. Abstaining is regarded as a vote against the draft resolution.

Each share entitles its holder to one vote. The voting right based on temporary shares is proportionate with the amount paid by the holder of the temporary share. Shareholders may not exercise their voting rights until their contribution has been made in full.

Members of the Board of Directors, of the Supervisory Board and the auditor have the right of consultation at the general meeting of the Company, they have the right to put forward motions and to contribute to any agenda item.

An attendance sheet of the General Meeting of Shareholders shall be prepared and kept in accordance with the provisions of the Companies Act.

If necessary, the shareholders may decide to suspend the general meeting. In the event that the general meeting is suspended, it shall be continued within thirty days (continued general meeting) and the date of the continued general meeting shall be established parallel to the time of the suspension. In such instances the rule pertaining to the convocation of the General Meeting and for the election of the officials of the meeting need not be applied. The General Meeting of the Shareholders can only be suspended once.

In the event that the general meeting of shareholders wishes to adopt a resolution for the delisting of the Company's shares, any such decision can only be made if any investor(s) have made prior commitments to make a purchase offer related to the delisting in accordance with the provisions of the BÉT Listing and Trading Rules.

6.4. Chairman of the General Meeting

The chairman of the General Meeting is the Chairman of the Supervisory Board, if prevented the chairman of the General Meeting is elected by the shareholders from among themselves, the members of the Board of Directors or the Supervisory Board, through simple majority vote. The same procedure applies to the election of the tellers of the votes, the verifiers of the minutes, as well, with the exception that the verifier of the minutes can only be a shareholder or his proxy.

The chairman of the general meeting of shareholders verifies the authorization of the representatives of the shareholders, appoints the keeper of the minutes, establishes, based on the attendance sheet, whether the meeting has a quorum and should the meeting lack a quorum, he adjourns the meeting to the date indicated in the announcement of the general meeting, chairs the meeting in line with the sequence of agenda items indicated in the invitation, proposes the persons to act as tellers of the votes and the shareholders to verify the minutes. The chairman can, furthermore, limit, with a general effect, the length of the individual, as well as of the repeated contributions made, he orders voting, announces the result of the voting, as well as the resolution of the general meeting, orders breaks and intermissions, provides for the minutes of the meeting and for the attendance sheet to be drafted in line with the provisions of the Companies Act and concludes the meeting once a resolution has been adopted on all issues on the agenda.

7. Remuneration

To fortify the commitment and the identification with the targets of company, the performance indices deduced from the business plan and the particular individual tasks for the given year related to the responsibility of the manager are determined then evaluated every year within the scope of the management incentive scheme at Rába Group.

On the other hand the interest is connected with the long-term increase of the company value, to which the managers influencing the increase of the company value significantly, are entitled on the way defined by a separate regulation and individual agreement.



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Remuneration of the Board of Directors

The Board of Directors draws its fees according to the Articles of Association, which is determined by the Annual General Meeting. Presently the fee of the chairman of the Board of Directors is HUF 380,000/month, the fee of its members is HUF 255,000/month/person.

Remuneration of the Supervisory Board

The Supervisory Board – according to its committee nature – draws only its fees. Presently the fee of the chairman of the Supervisory Board is HUF 335,000/month, the fee of its members is HUF 220,000/monthly/person.

Győr, March 2014



Corporate Governance Declaration on Compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, by completing the following tables, the company declares to what extent it applied in its own practice of corporate governance the recommendations and suggestions formulated in the different points of the Corporate Governance Recommendations published by the Budapest Stock Exchange Ltd.

By reviewing the tables, market participants may receive information on the extent to which the corporate governance practice of different companies meets certain requirements included in the CGR, and may easily compare the practices of the different companies.

Level of compliance with the Recommendations

The company should indicate whether it applies the relevant recommendation or not, and in the case of a negative answer, it should provide the reasons for not applying the given recommendation.

1.1.1 The Board of Directors ensured that shareholders received access to information in time to enable them to exercise their rights.

Yes

No (Please explain)

1.1.2 The company applies the “one share – one vote” principle.

Yes

No (Please explain)

1.2.8 The company ensures that shareholders must meet the same requirements in order to attend at the general meeting.

Yes

No (Please explain)

1.2.9 Items on the general meeting agenda only include subjects which are correctly detailed and summarised clearly and unambiguously.

Yes

No (Please explain)

The proposed resolutions included the suggestions of the Supervisory Board and a detailed explanation of the effects of the decision.

Yes

No (Please explain)

1.2.10 Shareholders’ comments on and supplements to the items on the agenda were published at least two days before the general meeting.

Yes

No (Please explain)

1.3.8 Comments on the items of the agenda were made available to shareholders simultaneously with registration at the latest.

Yes

No (Please explain)

Written comments made on the items on the agenda were published two working days before the general meeting.

Yes

No (Please explain)

1.3.10 The election and dismissal of executives took place individually and by separate resolutions.

Yes

No (Please explain)



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2.1.1 The responsibilities of the Board of Directors include those laid out in 2.1.1.

Yes

No (Please explain)

2.3.1 The Board of Directors held meetings regularly, at times designated in advance.

Yes

No (Please explain)

The Supervisory Board held meetings regularly, at times designated in advance.

Yes

No (Please explain)

The rules of procedure of the Board of Directors provide for unscheduled meetings and decision-making through electronic communications channels.

Yes

No (Please explain)

The rules of procedure of the Supervisory Board provide for unscheduled meetings and decision-making through electronic communications channels.

Yes

No (Please explain)

2.5.1 The Board of Directors of the company has a sufficient number of independent members to ensure the impartiality of the board.

Yes

No (Please explain)

2.5.4 At regular intervals (in connection with the annual CG Report) the Board of Directors requested a confirmation of their independent status from those members considered independent.

Yes

No (Please explain)

2.5.5 At regular intervals (in connection with the annual CG Report) the Supervisory Board requested a confirmation of their independent status from those members considered independent.

Yes

No (Please explain)

2.5.7 The company disclosed on its website the guidelines on the independence of the Board of Directors and the Supervisory Board, as well as the criteria applied for assessing independence.

Yes

No (Please explain)

2.6.1 Members of the Board of Directors informed the Board of Directors (Supervisory Board / Audit Committee) if they (or any other person in a close relationship to them) had a significant personal stake in a transaction of the company (or the company's subsidiary).

Yes

No (Please explain)

2.6.2 Transactions between board and management members (and any other person in a close relationship to them) and the company (or the company's subsidiary) were conducted according to general rules of practice of the company, but with stricter transparency rules.

Yes

No (Please explain)

Transactions according to 2.6.2, fell outside the normal course of the company's business and their terms and conditions were approved by the Supervisory Board (Audit Committee).

Yes

No (Please explain)



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2.6.3 Members of the board informed the Supervisory Board / Audit Committee if they received an offer of Board membership or an offer of a management position in a company which is not part of the company group.

Yes

No (Please explain)

2.6.4 The Board of Directors established its guidelines on information flow within the company and handling of insider information, and monitored compliance with those guidelines.

Yes

No (Please explain)

The Board of Directors established its guidelines regarding insiders' trading in securities and monitored compliance with those guidelines.

Yes

No (Please explain)

2.7.1 The Board of Directors formulated remuneration guidelines regarding the evaluation and remuneration of the work of the Board of Directors, the Supervisory Board and the management.

Yes

No (Please explain)

The Remuneration Statement approved by the General Meeting contains the remuneration guidelines.

The Supervisory Board formed an opinion on the remuneration guidelines.

Yes

No (Please explain)

The Remuneration Statement approved by the General Meeting contains the remuneration guidelines.

The guidelines regarding the remuneration for the Board of Directors and the Supervisory Board and the changes in those guidelines were approved by the general meeting, as a separate agenda item.

Yes

No (Please explain)

2.7.2. The Board of Directors evaluated the work it carried out in the given business year. The Supervisory Board evaluated the work it carried out in the given business year.

Yes

No (Please explain)

2.7.3 It is the responsibility of the Board of Directors to monitor the performance of and determine the remuneration for the management.

Yes

No (Please explain)

The frameworks of benefits due to members of the management that do not represent normal practice, and the changes in those benefits were approved by the general meeting as a separate agenda item.

Yes

No (Please explain)

2.7.4 The structure of share-incentive schemes were approved by the general meeting.

Yes

No (Please explain)

Before the decision by the general meeting on share-incentive schemes, the shareholders received detailed information (at least according to those contained in 2.7.4.).

Yes

No (Please explain)



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2.7.7 The Remuneration Statement was prepared by the company and submitted to the general meeting.

Yes

No (Please explain)

The Company provides information about the remuneration principles of the Board of Directors, the Supervisory Board and the management in the chapter about corporate governance in the annual report, about the cumulated amount of the benefits in the financial statements and about the remuneration provided for each member of the Board of Directors and the Supervisory Board on its website.

The Remuneration Statement includes information about the remuneration of individual members of the Board of Directors, the Supervisory Board and the management.

Yes

No (Please explain)

The Company provides information about the remuneration principles of the Board of Directors, the Supervisory Board and the management in the chapter about corporate governance in the annual report, about the cumulated amount of the benefits in the financial statements and about the remuneration provided for each member of the Board of Directors and the Supervisory Board on its website.

2.8.1 The Board of Directors or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.

Yes

No (Please explain)

Board of Directors requests information on the efficiency of risk management procedures at regular intervals.

Yes

No (Please explain)

The Board of Directors took the necessary steps to identify the major risk areas.

Yes

No (Please explain)

2.8.3 The Board of Directors formulated the principles regarding the system of internal controls.

Yes

No (Please explain)

The system of internal controls established by the management guarantees the management of risks affecting the activities of the company, and the achievement of the company's performance and profit targets.

Yes

No (Please explain)

2.8.4 When developing the system of internal controls, the Board of Directors took into consideration the viewpoints included in 2.8.4.

Yes

No (Please explain)

2.8.5 It is the duty and responsibility of management to develop and maintain the system of internal.

Yes

No (Please explain)

2.8.6 The company created an independent Internal Audit function which reports to the Audit Committee.

Yes

No (Please explain)



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The Internal Audit reported at least once to the Audit Committee on the operation of risk management, internal control mechanism and corporate governance functions.

Yes

No (Please explain)

2.8.7 The internal audit activity is carried out by the Internal Audit function based on authorisation from the Audit Committee.

Yes

No (Please explain)

As an organisation, the Internal Audit function is independent from the management.

Yes

No (Please explain)

2.8.8 The Internal Audit schedule was approved by the Board of Directors (Supervisory Board) based on the recommendation of the Audit Committee.

Yes

No (Please explain)

2.8.9 The Board of Directors prepared its report for shareholders on the operation of internal controls.

Yes

No (Please explain)

The Board of Directors developed its procedures regarding the receipt, processing of reports on the operation of internal controls, and the preparation of its own report.

Yes

No (Please explain)

2.8.11 The Board of Directors identified the most important deficiencies or flow in the system of internal controls, and reviewed and re-evaluated the relevant activities.

Yes

No (Please explain)

2.9.2 The Board of Directors, the Supervisory Board and the Audit Committee were notified in all cases when an assignment given to the auditor may have resulted in significant additional expense, caused a conflict of interest, or affected normal business practices significantly in any other way.

Yes

No (Please explain)

2.9.3 The Board of Directors informed the Supervisory Board of any assignment given to the auditor or an external advisor in connection with any event which held significant bearing on the operation of the company.

Yes

No (Please explain)

The Board of Directors pre-determined in a resolution what circumstances constitute significant bearing.

Yes

No (Please explain)

3.1.6 On its website, the company disclosed duties delegated to the Audit Committee as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes

No (Please explain)

On its website, the Company disclosed duties delegated to the Nomination Committee as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes

No (Please explain)



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The duties of the Nomination Committee are carried out by the Board of Directors

On its website, the Company disclosed duties delegated to the Remuneration Committee as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes

No (Please explain)

The Remuneration Committee terminated on July 1, 2012.

3.2.1 The Audit Committee monitored the efficiency of risk management, the operation of internal controls, and the activity of the Internal Audit.

Yes

No (Please explain)

3.2.3 The Audit Committee received accurate and detailed information on the work schedule of the Internal Auditor and the independent auditor; and received the auditor's report on problems discovered during the audit.

Yes

No (Please explain)

3.2.4 The Audit Committee requested the new candidate for the position of auditor to submit the disclosure statement according to 3.2.4.

Yes

No (Please explain)

3.3.1 There is a Nomination Committee operating at the company

Yes

No (Please explain)

The duties of the Nomination Committee are carried out by the Board of Directors.

3.3.2 The Nomination Committee provided for the preparation of personnel changes.

Yes

No (Please explain)

The duties of the Nomination Committee are carried out by the Board of Directors.

The Nomination Committee reviewed the procedures regarding the election and appointment of members of the management.

Yes

No (Please explain)

The duties of the Nomination Committee are carried out by the Board of Directors.

The Nomination Committee evaluated the activity of board and management members.

Yes

No (Please explain)

The duties of the Nomination Committee are carried out by the Board of Directors.

The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Board of Directors.

Yes

No (Please explain)

The duties of the Nomination Committee are carried out by the Board of Directors.

3.4.1 There is a Remuneration Committee operating at the company.

Yes

No (Please explain)

The Remuneration Committee terminated on July 1, 2012.



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3.4.2 The Remuneration Committee made a proposal for the system of remuneration for the boards and the management (individual levels and the structure of remuneration), and carries out its monitoring.

Yes **No** (Please explain)

It is no Remuneration Committee.

3.4.3 The remuneration of the management was approved by the Board of Directors based on the recommendation of the Remuneration Committee.

Yes **No** (Please explain)

It is no Remuneration Committee.

The remuneration of the Board of Directors was approved by the general meeting based on the recommendation of the Remuneration Committee.

Yes No (Please explain)

The remuneration of the Board of Directors was approved by the general meeting based on the submission of the Board of Directors. It is no Remuneration Committee.

The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.

Yes **No** (Please explain)

It is no Remuneration Committee.

3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines.

Yes **No** (Please explain)

It is no Remuneration Committee.

The Remuneration Committee made proposals regarding the remuneration of individual persons.

Yes **No** (Please explain)

It is no Remuneration Committee.

The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the management.

Yes **No** (Please explain)

It is no Remuneration Committee.

The Remuneration Committee checked whether the company fulfilled its disclosure obligations regarding remuneration issues.

Yes **No** (Please explain)

It is no Remuneration Committee.

3.4.7 The majority of the members of the Remuneration Committee are independent.

Yes **No** (Please explain)

It is no Remuneration Committee.



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3.5.1 The Board of Directors disclosed its reasons for combining the Remuneration and Nomination Committees.

Yes

No (Please explain)

These Committees are not combined by the Board of Directors.

3.5.2 The Board of Directors carried out the duties of the Nomination Committees and disclosed its reasons for doing so.

Yes

No (Please explain)

The Board of Directors carried out the duties of the Remuneration Committee and disclosed its reasons for doing so.

Yes

No (Please explain)

The duties were carried out by the Remuneration Committee until June 30, 2012, thereafter the duties are within the competence of the Board of Directors.

4.1.1 In its disclosure guidelines, the Board of Directors established those principles and procedures which ensure that all relevant information about the operations of the company and circumstances influencing its share price are disclosed and made available accurately, in a timely fashion and in full.

Yes

No (Please explain)

4.1.2 The company ensured in its disclosure activities that all shareholders and market participants were treated equally.

Yes

No (Please explain)

4.1.3 The Company's disclosure guidelines include the procedures governing electronic, on-line disclosure.

Yes

No (Please explain)

The company develops its website taking into consideration disclosure guidelines and the provision of information to investors.

Yes

No (Please explain)

4.1.4 The Board of Directors assessed the efficiency of disclosure processes.

Yes

No (Please explain)

4.1.5 The company published its corporate events calendar on its website.

Yes

No (Please explain)

4.1.6 In the annual report and on the website of the company, the public was informed about the company's corporate strategy, its main business activities, business ethics and its policies regarding other stakeholders.

Yes

No (Please explain)

4.1.8 In the annual report, the Board of Directors disclosed the character and size of any other assignments given by the company or its subsidiaries to the auditing firm responsible for auditing the financial statements.

Yes

No (Please explain)



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4.1.9 In the annual report and on the website the company discloses information on the professional career of the members of the Board of Directors, the Supervisory Board and the management.

Yes

No (Please explain)

4.1.10 The company provided information on the internal organisation and operation of the Board of Directors and the Supervisory Board and on the criteria considered when evaluating the work of the Board of Directors, the management and the individual members thereof.

Yes

No (Please explain)

The Company provided information on the criteria considered when evaluating the work of the Board of Directors, the management and the individual members thereof.

Yes

No (Please explain)

Yes, but information on the criteria considered when evaluating of the individual members was not provided.

4.1.11 In the annual report and in the Remuneration Statement on the Company's website, the company informed the public about the applied remuneration guidelines, including the remuneration and fees provided for members of the Board of Directors, the Supervisory Board and the management.

Yes

No (Please explain)

The Company informs the public about the remuneration principles of the Board of Directors, the Supervisory Board and the management, as well as about the cumulative amount of the fees provided for the key management members as the part of the annual report and publishes the remuneration of the members of the Board of Directors and the Supervisory Board one by one on its website.

4.1.12 The Board of Directors disclosed its risk management guidelines, including the system of internal controls, the applied risk management principles and basic rules, as well as information about major risks.

Yes

No (Please explain)

4.1.13 In order to provide market participants with information, the company published its report on corporate governance at the same time that it published its annual report.

Yes

No (Please explain)

4.1.14 The company discloses its guidelines governing insiders' trading in the company's securities on its website.

Yes

No (Please explain)

In the annual report and on its website, the company published the ownership in the company's securities held by the members of the Board of Directors, the Supervisory Board and the management, as well as any interest held in share-incentive schemes.

Yes

No (Please explain)

4.1.15 In the annual report and on its website, the company disclosed any relationship between members of the Board of Directors and the management with a third party, which might have an influence on the operations of the company.

Yes

No (Please explain)



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Level of compliance with the Suggestions

The company should indicate whether the relevant suggestion of the CGR is applied or not (Yes / No).

- | | | |
|--------|--|-----------------|
| 1.1.3 | The Company has an investor relations department. | <u>Yes</u> / No |
| 1.2.1 | The company published on its website the summary document regarding the conducting of the general meeting and the exercise of shareholders' rights to vote (including voting via proxy) | <u>Yes</u> / No |
| 1.2.2 | The company's Articles of Association are available on the company's website. | <u>Yes</u> / No |
| 1.2.3 | The company disclosed on its website information according to 1.2.3 (on the record date of corporate events). | <u>Yes</u> / No |
| 1.2.4 | The information and the documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website. | <u>Yes</u> / No |
| 1.2.5 | The general meeting of the company was held in a way that ensured the greatest possible shareholder participation. | <u>Yes</u> / No |
| 1.2.6 | The additions to the agenda were published within 5 days of receipt, in the same manner as the publication of the original invitation for the general meeting. | <u>Yes</u> / No |
| 1.2.7 | The voting procedure applied by the company ensured unambiguous, clear and fast decision-making by shareholders. | <u>Yes</u> / No |
| 1.2.11 | At the shareholders' request, the company also provided information on the general meeting electronically. | <u>Yes</u> / No |
| 1.3.1 | The identity of the chairman of the general meeting was approved by the company's general meeting before discussing the agenda items. | <u>Yes</u> / No |
| 1.3.2 | The Board of Directors and the Supervisory Board were represented at the general meeting. | <u>Yes</u> / No |
| 1.3.3 | The company's Articles of Association render possible that at the initiation of the chairman of the Board of Directors or the shareholders of the company, a third party be invited to the company's general meeting and be granted the right of participation in the discussion of the relevant agenda items. | Yes / <u>No</u> |
| 1.3.4 | The company did not prevent shareholders attending the general meeting from exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so. | <u>Yes</u> / No |



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- 1.3.5 The company published on its website within 3 day its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer, it published its reasons for doing do. **Yes** / No
- 1.3.6 The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with. **Yes** / No
- 1.3.7 The company published a press release and held a press conference on the decisions passed at the general meeting. **Yes** / No
- 1.3.11 The company's general meeting decided on the different amendments of the Articles of Association in separate resolutions. **Yes** / No
- 1.3.12 The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions were published by the company within 30 days of the general meeting. **Yes** / No
- 1.4.1 The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation. **Yes** / No
- 1.4.2 The company disclosed its policy regarding anti-takeover devices. Yes / **No**
- 2.1.2 The rules of procedure define the composition of the Board of Directors and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters. **Yes** / No
- 2.2.1 The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed. **Yes** / No
- 2.3.2 The Board members had access to the proposals of a given meeting at least 5 days before the board meeting. **Yes** / No
- 2.3.3 The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the board. **Yes** / No
- 2.4.1 The election of the members of the Board of Directors took place in a transparent way, information on candidates was made public at least 5 days before the general meeting. **Yes** / No
- 2.4.2 The composition of boards and the number of members complies with the principles specified in 2.4.2. **Yes** / No
- 2.4.3 Newly elected, non-executive board members were able to familiarize themselves with the structure and operations of the company, as well as their duties as board members through a tailored induction programme. **Yes** / No



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- 2.5.2 The separation of the responsibilities of the Chairman of the Board of Directors from those of the Chief Executive Officer has been outlined in the basic documents of the company. **Yes** / No
- 2.5.3 The company published a statement about the means it uses to ensure that the Board of Directors gives an objective assessment of the management's work where the functions of Chairman and CEO are combined. **Yes** / No
- 2.5.6 The company's Supervisory Board has no member who held a position in the Board of Directors or the management of the company in the 3 years before his nomination. **Yes** / No
- 2.7.5 The development of the remuneration system of the Board of Directors, the Supervisory Board and the management serves the strategic interests of the company and thereby those of the shareholders. **Yes** / No
- 2.7.6 In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price. **Yes** / No
- 2.8.2 The Board of Directors developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations. **Yes** / No
- 2.8.10 When evaluating the system of internal controls, the Board of Directors took into consideration the aspects mentioned in 2.8.10. **Yes** / No
- 2.8.12 The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the management, and submitted its report on the matter to the Audit Committee. **Yes** / No
- 2.9.1 The rules of procedure of the Board of Directors cover the procedure to be followed when employing an external advisor. **Yes** / No
- The rules of procedure of the Supervisory Board cover the procedure to be followed when employing an external advisor. **Yes** / No
- The rules of procedure of the Audit Committee cover the procedure to be followed when employing an external advisor. **Yes** / No
- The rules of procedure of the Nomination Committee cover the procedure to be followed when employing an external advisor. Yes / **No**
- The rules of procedure of the Remuneration Committee cover the procedure to be followed when employing an external advisor. Yes / **No**
- 2.9.4 The Board of Directors may invite the company's auditor to participate in those meetings where it debates general meeting agenda items. **Yes** / No
- 2.9.5 The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit. **Yes** / No



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- 3.1.2 The chairman of the Audit Committee regularly informs the Board of Directors about the meetings of the committee, and the committee prepared at least one report for the Board of Directors and the Supervisory Board in the given business year. Yes / **No**
- The chairman of the Nomination Committee regularly informs the Board of Directors about the meetings of the committee and the committee prepared at least one report for the Board of Directors and the Supervisory Board in the given business year. Yes/ **No**
- The chairman of the Remuneration Committee regularly informs the Board of Directors about the meetings of the committee and the committee prepared at least one report for the Board of Directors and the Supervisory Board in the given business year. Yes / **No**
- 3.1.4 The company's committees are made up of members who have the capabilities, professional expertise and experience required to perform their duties. **Yes** / No
- 3.1.5 The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5. **Yes** / No
- 3.2.2 The members of the Audit Committee were fully informed about the accounting, financial and operational peculiarities of the company. **Yes** / No
- 3.3.3 The Nomination Committee prepared at least one evaluation for the Chairman of the Board of Directors on the operation of the Board of Directors and the work and suitability of the members of the Board of Directors. Yes / **No**
- 3.3.4 The majority of the members of the Nomination Committee are independent. Yes / **No**
- 3.3.5 The rules of procedure of the Nomination Committee include those details contained in 3.3.5. Yes / **No**
- 3.4.5 The Remuneration Committee prepared the Remuneration Statement. Yes / **No**
- The Company provides information about the remuneration principles of the Board of Directors, the Supervisory Board and the management in the chapter about corporate governance in the annual report, about the cumulated amount of the benefits in the financial statements and about the remuneration provided for each member of the Board of Directors and the Supervisory Board on its website.*
- 3.4.6 The Remuneration Committee exclusively consists of non-executive members of the Board of Directors. Yes / **No**
- 4.1.4 The disclosure guidelines of the company at least extend to those details contained in 4.1.4. **Yes** / No



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The Board of Directors informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.

Yes / No

4.1.7 The company's financial reports followed IFRS guidelines.

Yes / No

4.1.16 The company also prepares and releases its disclosures in English.

Yes / No

Győr, March 2014



Number of voting rights at RÁBA Automotive Holding Plc at March 17, 2014

Pursuant to Article 304 (1) of the Act IV of 2006, the Company Act, RÁBA Automotive Holding Plc informs herewith the participants of capital market about the number of voting rights attached to the Company's shares, and about the volume of the registered share capital:

The composition of the share capital:

Series of shares	Par value (HUF/each piece)	Number of issued shares	Total par value (HUF)
	1,000	13,473,446	13,473,446,000
Volume of Share Capital		13,473,446	13,473,446,000

Number of voting rights attached to shares

Series of shares	Number of issued shares	Shares entitled to vote	Voting rights per each share	Total of voting rights	Number of own shares
	13,473,446	13,473,446	1	13,473,446	460,846
Total	13,473,446	13,473,446	1	13,473,446	460,846

Győr, March 26, 2014

RÁBA Járműipari Holding Nyrt.