

**Magyar Telekom Telecommunications Public Limited Company
Annual General Meeting**

MINUTES

taken at the Annual General Meeting of Magyar Telekom Telecommunications Public Limited Company (registered seat: 1013 Budapest, Krisztina krt. 55.; registration number: Cg. 01-10-041928) taking place at the headquarters of Magyar Telekom Plc. (1013 Budapest, 1st district, Krisztina krt. 55.; Tölösi Conference Centre) on April 10, 2018, from 11:05 a.m.

Way of participating at the General Meeting: in person.

Participants: as listed in the attached attendance sheet.

Christopher Mattheisen: Good Morning Ladies and Gentlemen! My name is Christopher Mattheisen, I am the CEO and a member of the Board of Directors of Magyar Telekom Plc. I welcome the Shareholders, the invitees, dr. László Pap Chairman of the Supervisory Board, dr. János Illésy, Chairman of the Audit Committee, other participating members of the Supervisory Board and the Audit Committee, and the representatives of the auditor. I hereby open the General Meeting at 11:05 o'clock. The General Meeting is held with shareholders' attendance in person, by decision-making on the general meeting.

Let me inform the General Meeting that votes will be cast via computer and votes will be tallied electronically in accordance with the Articles of Association. I will state the result of voting as the computer counted votes appear on the screen. I ask **Mrs. Judit Borókné Matus**, present on behalf of KELER Zrt., to describe the essence and method of computer voting.

Mrs. Judit Borókné Matus: My name is Mrs. Judit Borókné Matus, representing KELER Zrt. assisting in the management of the General Meeting and in the registration process. I briefly introduce You the voting system and the persons participating in the voting process Sándor Rákos, Tibor Petrás, Dávid Pataki.

During the registration, You have received a wireless, radio-frequency operated voting device, which indicates the individual voting number of the shareholder. Therefore, please take care of the voting device and do not hand it over to anyone else. You may activate the device at the beginning of the General Meeting by pressing any button. You may vote with pressing buttons 1, 2, and 3: button no. 1 is the "YES" button, button no. 2 is the "NO" button, button no. 3 is the "ABSTENTION" button. Proposals will be put to the vote by the Chairman of the General Meeting and you can cast your vote during a 20 second period, the start and end of which is indicated by a voice signal.

After the start of the voting please push the applicable button (1, 2, 3) of the voting device then release it. Simultaneously with pushing the button your device will display the number of the respective button with which you cast your vote then the number disappears, indicating that the voting system received the vote and confirmed its receipt to the voting device. Please note that buttons must not be pressed continuously and in case the button is pressed several times only the last vote will be registered by the system!

Within a couple of seconds upon the closing of the voting the results are displayed on the screens and the monitor in front of the Chairman. In addition, the number of votes that were not cast will also be displayed. Naturally, the Chairman of the General Meeting will state verbally the result of the voting. Let me draw Your attention that the voting ratio will be rounded to 2 decimal places, therefore, there can be a situation when 1 "NO" vote is cast and the voting ratio will be 0.00% on the screen. Naturally, all votes will be registered both in the system and the minutes of the General Meeting.

Now, I propose to have a test voting. Please play the voice signal. Please, activate your device by pressing any button and then cast your vote. The voting is closed and the results are displayed. If the voting device does not work properly, please let us know and we immediately replace the device.

If you have any questions regarding the voting system, please let us know now. Thank you and I wish you good work and a successful General Meeting!

Christopher Mattheisen: Thank you very much.

Number of shares issued by the Company: 1,042,742,543 pcs of which non-voting treasury shares are: 5,058,417 pcs. Total number of votes represented by the voting shares: 1,037,684,126 pcs. The total number of votes represented by the shareholders appeared during registration until 10:30: **688,380,433** (which in percentage is **66.34%**).

Based on the registration I state that the General Meeting constitutes a quorum, as the shareholders representing more than half of the shares carrying voting rights at the General Meeting are present in person or by proxy. On the basis of the proxy instruments submitted to the Company, I state that proxies represent the shareholders legally.

I confirm that the General Meeting has been convened in compliance with the relevant provisions of law and the provisions of the Articles of Association, the convening notice of the General Meeting has been published on March 9, 2018.

I ask **Mr. Balázs Máthé**, Chief Legal and Corporate Affairs Officer of the Company, to outline the main procedural rules of the General Meeting.

Balázs Máthé: Entering the venue of the General Meeting, the Tölösi Conference Center, is only possible with the use of the wristband received during registration. When re-entering or returning after a break, the wristband shall be presented to the security personnel again.

The General Meeting is conducted in Hungarian language with unofficial simultaneous interpretation provided by the Company from Hungarian into English and from English into Hungarian. I call the attention of our Distinguished Shareholders that agenda item no. 1 will be presented in English language.

The distinguished participants are informed that for the purposes of recording true and accurate minutes, the General Meeting will be audio-recorded by the Company, and your presence is considered as a consent thereto.

The agenda of the General Meeting, the submissions relating to the individual agenda items, the report of the Supervisory Board relating thereto as well as the respective resolution proposals have been published on the website of the Company and that of the Budapest Stock Exchange, and made available at KELER Zrt., as well as in the documentation of the General Meeting here, at the venue of the General Meeting before the start of the meeting.

No proposal on the amendment of the published agenda and no resolution proposal relating to items on or to be added to the agenda were submitted to the Board of Directors. As not all of the shareholders are present, there is no possibility to amend the agenda, to discuss matters other than those on the published agenda or to pass resolutions in such matters at the General Meeting.

The shareholders are entitled to ask for information, make comments and motions at the General Meeting, regardless of their ownership ratio. Please be informed that these rights may be exercised within the limits of the published agenda items. In case of remarks not relating to the agenda items, the Chairman withdraws the right to speak. The Chairman also withdraws the right to speak if a remark is a manifest attempt to delay the meeting, prejudicing the effective and reasonable time management of the General Meeting.

Shareholders or their representatives may make any remarks about the agenda items discussed at the General Meeting after having been given the floor by the Chairman. You are kindly asked to state your name and the number indicated on the front panel of the voting device at the beginning of your remark, and use the microphone throughout your contribution, because only those remarks will be translated and recorded in the minutes that were made using the microphone.

Christopher Mattheisen: Thank you. I stipulate that the time limit for each contribution is maximum three minutes per shareholder per remark. In order to ensure reasonable time management I request the shareholders to observe the said limit at each agenda point. The planned duration of the General Meeting is approximately two hours.

I propose to the General Meeting to elect the Chairman of the General Meeting before the discussion of the agenda items begins. Based on the respective submission, the Board of Directors proposes to the General Meeting to elect Christopher Mattheisen to be the Chairman of the General Meeting.

The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 680,557,917 affirmative votes (98.86%), 307,006 negative votes (0.04%), and 0 abstentions (0.00%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.266150 %, Negative: 0.029442 %, Abstention: 0.000000 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 680 864 923 pcs, and proportion thereof to the registered capital: 65.295592%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 1/2018 (IV.10.).

Chairman: I propose to the General Meeting to elect dr. Balázs Modok registered legal counsel as Keeper of the Minutes. I further propose to elect Ms. Anne Beever, representative of Deutsche Telekom Europe B.V. as authenticator of the Minutes.

The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 688,018,785 affirmative votes (99.95%), 10,635 negative votes (0.00%), and 348,504 abstentions (0.05%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.981655 %, Negative: 0.001020 %, Abstention: 0.033422 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 377 924 pcs, and proportion thereof to the registered capital: 66.016097%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 2/2018 (IV.10.).

Chairman: I propose that the General Meeting should approve the order for discussing the items on the agenda in accordance with the Announcement and as presented on the screen. (The order of the agenda items in accordance with the Announcement and as presented on the screen:

1. Report of the Board of Directors on the management of Magyar Telekom Plc., on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2017;
2. Decision on the approval of the 2017 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor;
3. Decision on the approval of the 2017 Standalone Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor;
4. Proposal of the Board of Directors for the use of the profit for the year earned in 2017; presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor; decision on the use of the profit for the year earned in 2017;

5. Information of the Board of Directors on the purchase of treasury shares following the Annual General Meeting in 2017; authorization of the Board of Directors to purchase ordinary Magyar Telekom shares;
6. Decision on the approval of the Corporate Governance and Management Report;
7. Decision on granting relief from liability to the members of the Board of Directors;
8. Election of an employee representative member of the Supervisory Board;
9. Decision on the amendment of the Articles of Association of Magyar Telekom Nyrt. (Section affected with the amendment: 6.4. Scope of authority of the Board of Directors (6.4. (p)));
10. Election and determination of the remuneration of the Company's Statutory Auditor, and determination of the contents of the material elements of the contract to be concluded with the Statutory Auditor.)

The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 688,083,433 affirmative votes (99.96%), 0 negative votes (0.00%), and 252,000 abstentions (0.04%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.987855 %, Negative: 0.000000 %, Abstention: 0.024167 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 335 433 pcs, and proportion thereof to the registered capital: 66.012022%.)

I state that the General Meeting has adopted the order of discussion of the agenda items of the General Meeting, in line with the resolution proposal in Resolution No. 3/2018 (IV.10.).

Chairman: I open the discussion of the first agenda item.

Agenda item no. 1

Report of the Board of Directors on the management of Magyar Telekom Plc., on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2017

Chairman: The Report of the Board of Directors is an informative and contains no resolution proposal. I will verbally outline the report of the Board of Directors in English language.

The Chairman presents the Report of the Board of Directors on the management of Magyar Telekom Plc., on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2017¹ on the following topics:

- Hungarian economic environment;
- Hungarian telecommunication market;
- Hungarian subscriber developments;
- 2017 Group results – revenues;
- 2017 Group results – EBITDA;
- dividends;
- 2017 results and public targets for 2018.
- awards won in 2017;
- Management Committee;

Thank you for your attention. I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

¹ The Report of the Board of Directors, verbally presented in English language, could also have been followed by the Shareholders at the General Meeting as it was displayed simultaneously in Hungarian and in English. The presented Report of the Board of Directors is attached in English as Annex no. 1 to these minutes.

dr. László Pap: Distinguished General Meeting! The Supervisory Board's Report prepared for the General Meeting is available in whole in the disclosed documents and is also included in the handout that has been distributed to the Distinguished Shareholders. The Supervisory Board examined the report of the Board of Directors on the management of the Company, on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2017, which the Supervisory Board acknowledged. Thank you.

Chairman: Thank you. I ask the Distinguished Shareholders whether there are any questions or remarks regarding the report of the Board of Directors?

If there are none, we shall proceed with agenda item no. 2.

Agenda item no. 2

Decision on the approval of the 2017 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor

Chairman: I ask **Mr. Máthé** to make known the introduction to the submission.

Balázs Máthé: In accordance with the provisions of the Accounting Act, the Company shall prepare financial statements and, as a parent company, consolidated financial statements to be approved by the General Meeting. In line with this, the 2017 Consolidated Financial Statements of the Company have been prepared according to International Financial Reporting Standards and the draft of it was published where stipulated in the Articles of Association. PricewaterhouseCoopers Könyvvizsgáló Kft. audited the financial statements. The Company deposits and discloses its financial statement approved by the General Meeting in compliance with the provisions of the relevant legal regulations.

Chairman: I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! The Supervisory Board, with the involvement of the Audit Committee and the Statutory Auditor, examined the 2017 Consolidated Financial Statements prepared according to International Financial Reporting Standards, to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their approval. In the opinion of the Supervisory Board, the Consolidated Financial Statements are in compliance with the prescriptions of the law, the Supervisory Board agrees with their content. The Supervisory Board proposes to the General Meeting for approval the 2017 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards with Balance Sheet Total Assets and Profit for the year in accordance with the proposal of the Board of Directors and the Audit Committee.

Chairman: Thank you. I request **dr. János Illéssy**, Chairman of the Audit Committee to outline the essence of the **Audit Committee's Report** related to this agenda item verbally.

dr. János Illéssy: Thank you Mr. Chairman. Distinguished General Meeting! The Audit Committee's Report prepared for the General Meeting is available in whole in the disclosed documents and is also included in the handout that has been distributed to the Distinguished Shareholders. The Audit Committee reviewed and evaluated the 2017 Consolidated Financial Statements prepared according to International Financial Reporting Standards (i.e. IFRS) to be submitted to the Supervisory Board and the General Meeting by the Board of Directors, the proposal of the Board of Directors for their approval, and listened to the relevant report of the Auditor. The Audit Committee, based on its activities performed during the year and the report of the Auditor, agrees with the content of the Consolidated Financial Statements and the proposal, and submitted it to the Supervisory Board. The Audit Committee proposed to the Supervisory Board for agreement of the content of the 2017 Consolidated Financial Statements of the

Company prepared according to International Financial Reporting Standards, and proposes to the General Meeting for approval the Consolidated Financial Statements including Balance Sheet Total Assets of HUF 1,109,661 million and Profit for the year of HUF 49,772 million.

Chairman: Thank you. I request **Mr. Árpád Balázs** representative of the Auditor, to verbally outline the essence of the **Auditor's Report** related to this agenda item.

Árpád Balázs: Thank you Mr. Chairman. My name is Árpád Balázs, employee of PricewaterhouseCoopers, the registered appointed auditor of Magyar Telekom Plc. PricewaterhouseCoopers has audited the 2017 consolidated financial statements of Magyar Telekom Group. The report was signed on behalf of our company by myself as registered appointed auditor and Mr. Armin Krug, who is also present. The entire report is available among the distributed documents, so I will only outline the essence of the opinion:

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Magyar Telekom Nyrt. and its subsidiaries as of 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and they have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting relevant for the consolidated annual financial statements prepared in accordance with IFRS as adopted by the EU. In our opinion, the 2017 consolidated business report of the Group is consistent with the 2017. consolidated financial statements in all material respects, and the consolidated business report has been prepared in accordance with the provisions of the Accounting Act. Based on all these, we propose the financial statements to the General Meeting for approval. Thank you.

Chairman: Thank you. I now ask the Shareholders whether there are any questions or remarks regarding this agenda item? Please.

János Zelena: Thank you for the floor. My name is János Zelena, device number 065-0 and I have a comment on the loans taken from affiliated companies mentioned on page 40 of the report. I think it is good news that in 2017 the average interest rate dropped from the Y2016 level of 4.19% to 3.61%, so a 58 base point reduction was achieved here. I would like to ask the Chief Officer, Mr. János Szabó, whether we can expect the continuation of this favorable tendency in 2017 and lower interest expenditures? Basically this is my question. Thank you.

János Szabó: Thank you. Basically, this can be influenced by two factors. One of them is the external environment, how the financial environment will look like when we have matured - and this is the other topic, when we have matured financing - items and when we can refinance. In 2017 we did not have any such long-term maturity financing, that would have matured in 2017, therefore we did not take any further loans, in 2018 this can be visible, and also in a more detailed breakdown of the report, that in the third quarter of 2018 we will have the opportunity to refinance. This is when we have a chance to further improve our financing conditions.

Chairman: Any other questions or comments? Mr. Zelena.

János Zelena: 065-0, János Zelena. Another question is whether the mother company's guarantee, the guarantee behind the debt of our company, has any separate cost? I also see in the report that a mother company comfort letter supports the repayment of the loans taken from the affiliated companies. Do they, either the comfort letter, although this is hard to imagine as it is a banking instrument, have any separate cost, either the bank guarantee, not the bank guarantee, but the company guarantee, sorry, provided by the mother company, a separate cost? I repeat. This is my brief question. Thank you.

János Szabó: We do not have any direct guarantee cost. Basically, the mother company, for it has further guarantee commitments, is basically included in our financing cost, in the interest itself. If we take the bank guarantee from our own market, we take regular guarantee support, but we take it from the Hungarian market and not from the mother company, and this has costs with us, as guarantee costs, in the short term.

János Zelena: Sorry, I did not really understand it, maybe there's a problem with the microphone, but I don't know whether my fellow shareholders understood it.

Chairman: Closer.

János Szabó: I try it again, sorry. So in the mother company related financing our financing costs are basically shown in the interests of the loans and there are no further costs behind this. We do have separate guarantee costs but these are included in our costs as locally taken bank guarantees and periodical bank guarantee related guarantee costs.

János Zelena: Thank you for the answer.

Chairman: Any other question or remark? If there are none, I ask **Mr. Máthé** to make known the resolution proposal.

Balázs Máthé: "The General Meeting approves the 2017 Consolidated Financial Statements of the Company, prepared according to International Financial Reporting Standards (IFRS), including Balance Sheet Total Assets of HUF 1,109,661 million and Profit for the year 2017 of HUF 49,772 million."

Chairman: Thank you very much. The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,453,481 affirmative votes (99.87%), 4,831 negative votes (0.00%), and 908,978 abstentions (0.13%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.927442 %, Negative: 0.000463 %, Abstention: 0.087172 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 367 290 pcs, and proportion thereof to the registered capital: 66.015077%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 4/2018 (IV.10.).

Agenda item no. 3

Decision on the approval of the 2017 Standalone Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor

Chairman: I ask **Mr. Máthé**, to make known the introduction to the submission.

Balázs Máthé: In accordance with the provisions of the Accounting Act the 2017 Standalone Financial Statements of the Company have been prepared according to International Financial Reporting Standards and the draft of it was published where stipulated in the Articles of Association. The approval on it falls into the exclusive scope of authority of the General Meeting. PricewaterhouseCoopers Könyvvizsgáló Kft. audited the financial statements.

Chairman: Thank you. I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! The Supervisory Board, with the involvement of the Audit Committee and the Statutory Auditor, examined the 2017 Standalone Financial Statements prepared according to International Financial Reporting Standards, to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their approval. In the opinion of the Supervisory Board, the Standalone Financial Statements are in compliance with the prescriptions of the law, the Supervisory Board agrees with their content. The Supervisory Board proposes to the General Meeting for approval the 2017 Standalone Financial Statements

prepared according to International Financial Reporting Standards with Balance Sheet Total Assets and Profit for the year in accordance with the proposal of the Board of Directors and the Audit Committee.

Chairman: Thank you. I request **dr. János Illéssy**, Chairman of the Audit Committee to outline the essence of the **Audit Committee's Report** related to this agenda item verbally.

dr. János Illéssy: Distinguished General Meeting! The Audit Committee reviewed and evaluated the 2017 Standalone Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS) to be submitted to the Supervisory Board and the General Meeting by the Board of Directors, the proposal of the Board of Directors for their approval, and listened to the relevant report of the Auditor. The Audit Committee, based on its activities performed during the year and the report of the Auditor, agrees with the content of the Standalone Financial Statements and the proposal, and submitted it to the Supervisory Board. The Audit Committee proposed to the Supervisory Board for agreement of the content of the 2017 Standalone Financial Statements of the Company prepared according to International Financial Reporting Standards, and proposes to the General Meeting for approval the Standalone Financial Statements including Balance Sheet Total Assets of HUF 1,038,673 million and Profit for the year 2017 of HUF 41,857 million.

Chairman: Thank you. I request **Mr. Árpád Balázs**, representative of the Auditor, to verbally outline the essence of the **Auditor's Report** related to this agenda item.

Árpád Balázs: Thank you Mr. Chairman. Distinguished General Meeting! PricewaterhouseCoopers has audited the 2017 Standalone Financial Statements of the Company in addition to the auditing of the consolidated financial statements of Magyar Telekom. The entire report is available among the distributed documents, I will briefly present the essence of the opinion. In our opinion, the financial statements give a true and fair view of the financial position of Magyar Telekom Plc. as of 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and they have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting relevant for the annual financial statements prepared in accordance with IFRS as adopted by the EU. Based on our auditing, we propose the report to the General Meeting for approval. Thank you very much.

Chairman: Thank you. I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? Please.

János Zelena: János Zelena, device number 065-0. I would like to ask that in terms of increasing revenues it may play a big role, I suppose not only private customers at the company but also the state sector, and whether you have any information that you can share on the proportion of the company's revenues from the state sector, what percentage does the state sector represent in terms of services and whether in this respect the forthcoming changes, in consideration of the domestic telephone market changes, is it possible that the orders placed by the state sector or our revenues coming from the state sector may decrease even already in 2018? And in relation to this I would also like to ask whether based on the agreement concluded with the state how long the current revenue level is guaranteed, the revenue level from the state sector? How do you see this, Mr. Chief Officer? Thank you.

János Szabó: Let us separate this. Our revenues from the state sector should be separated into telecommunication and IT revenues because they have a completely different structure and composition. In terms of our telecommunication revenues the most important component is the mobile tender awarded through the public procurement tender which is a three year contract. It started this year so obviously it will continue for two more years and this was available and public in the media that this was an opportunity. In total, in our total revenue structure, I should say, this is marginal, we are talking about the order of magnitude of 100,000 customers on telecommunication side. Besides, we have other network cooperation schemes and network services but these are secondary technical services and on a smaller scale so in this respect, let's call it exposure, if that was the idea, the exposure is relatively low. The bigger exposure is in the IT sector where our revenues, it depends, this changes yearly, but normally 30-40% of the revenues come from this market. A part of these revenues is determined by the availability

of the actual external, even European Union funds. In 2017, for example this was quite strong therefore our revenue on this side was quite strong. You also have to see that biggest part of these revenues are asset-based so basically it has a bigger impact on revenue and a lower impact on profit, it has a smaller impact on business results, and these in fact fluctuate, and have major ups and downs depending on the tenders that are being published. These are primarily not long-term but one-off projects and they are taken forward by factors like what types of orders are available through public procurement and besides there are system integration supports in the background that represent long-term one or two year projects, but basically all of them are project based. So in that respect we are the same way exposed in the IT market, the same way to public procurement and the state sector as to the business sector. However, I do not sense any difference between the various market trends and basically what will take this forward on the IT market, what future orders can be expected from the various sectors. This will influence the T-Systems Hungary revenues.

János Zelena: Thank you for your answer Mr. Chief Officer.

Chairman: There's a question on this side, too.

Máté Dudás: My name is Máté Dudás, my code is 048-5. I have a question about the consolidated profit and loss statement, if you could give us some details about the jump of direct costs by 33.4 billion HUF. I saw here that this was primarily increased by system integration with 21 billion and other direct costs with 16.6 billion, if you could elaborate these because here, in the report, it is not very clear, and these are quite big numbers in total: direct costs increased by 33.4 billion. I would like to have some information on that.

Balázs Máthé: Just for the record, the consolidated financial statements were subject to the previous agenda item, but of course I do not see any problem if János answers your question.

János Szabó: The number of the page, which page of the consolidated report are we talking about, it would help.

Máté Dudás: It is 93.

János Szabó: Thank you.

Máté Dudás: This is in English, so it might not be the same.

János Szabó: Anyway, basically, as you refer to it in the question, the question partly had the answer, and I referred to it earlier that in 2017 there was a massive sale of assets through public procurement. The sale of assets basically means resale, where procurement and resale take place in the case of these tenders, and this was the key growth factor, the other direct costs related to system integration and IT. The other part was basically coming from the sale of assets that accelerated in the telecommunication market as well, and it was significant in terms of increase of revenues both in the case of mobile devices, TV sets on the fixed line market and our market was very strong in 2017 as well as our revenue increase. On top of that we also had export resale in the order of magnitude of 10 billion and the direct costs of these are shown in the other line of the direct cost increase. So in this case we are talking about resale where we either sold devices on the domestic market or sold them to a third market.

Chairman: Any other questions or comments? If there are none, I ask **Mr. Máthé** to make known the resolution proposal.

Balázs Máthé: “The General Meeting approves the 2017 Standalone Financial Statements of the Company, prepared according to International Financial Reporting Standards (IFRS), including Balance Sheet Total Assets of HUF 1,038,673 million and Profit for the year 2017 of HUF 41,857 million.”

Chairman: The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,357,290 affirmative votes (99.85%), 91,356 negative votes (0.01%), and 911,015 abstentions (0.13%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.918217 %, Negative: 0.008761 %, Abstention: 0.087367 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 359 661 pcs, and proportion thereof to the registered capital: 66.014345%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 5/2018 (IV.10.).

Agenda item no. 4

Proposal of the Board of Directors for the use of the profit for the year earned in 2017; presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor; decision on the use of the profit for the year earned in 2017

Chairman: I ask **Mr. Máthé** to make known the submission and the resolution proposal.

Balázs Máthé: According to the Civil Code and the Articles of Association the deciding on the utilisation of the profit for the year belongs to the exclusive scope of authority of the General Meeting. Shareholders shall be entitled to dividend who are registered in the Share Register at the record date of the dividend payment identification process ordered by the Company. I make known the resolution proposal:

“A dividend of HUF 25 per ordinary share (with a face value of HUF 100) shall be paid by the Company to the shareholders from the profit of 2017. The actual rate of dividend paid to shareholders is calculated and paid based on the Articles of Association, so the Company distributes the dividends for its own shares among the shareholders who are entitled for dividends.

The HUF 26,068,563,575 to be disbursed as dividends shall be paid from the HUF 41,857,229,317 profit for the year based on the standalone financial statements, and the remaining amount of HUF 15,788,665,742 of the profit for the year based on the standalone financial statements shall be allocated to retained earnings.

May 25, 2018 shall be the first day of dividend disbursement. The record date of the dividend payment shall be May 15, 2018.

On April 17, 2018, the Board of Directors of the Company shall publish a detailed announcement on the order of the dividend disbursement on the homepage of the Company and the Budapest Stock Exchange.

The dividends shall be paid by KELER Ltd., in compliance with the instructions of the Company.”

Chairman: I request **dr. László Pap** Chairman of the Supervisory Board to outline the essence of the **Supervisory Board’s Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! The Supervisory Board, with the involvement of the Audit Committee, discussed the proposal of the Board of Directors, according to which the Company shall pay a dividend of HUF 25 per ordinary share (with a face value of HUF 100) to the shareholders from the profit of 2017. The Supervisory Board provides prior approval to the proposal of the Board of Directors, and proposes the proposal to the General Meeting for approval.

Chairman: Thank you. I request **dr. János Illéssy**, Chairman of the Audit Committee to outline the essence of the **Audit Committee’s Report** related to this agenda item verbally.

dr. János Illéssy: Distinguished General Meeting! The Audit Committee reviewed and evaluated the proposal of the Board of Directors, according to which the Company shall pay a dividend of HUF 25 per ordinary share (with a face value of HUF 100) to the shareholders from the profit of 2017. According to the review of the Audit Committee, the appropriate coverage for dividend payment is available, the Audit Committee agrees with the proposal. The Audit Committee proposed the proposal to the Supervisory Board for prior approval and proposes to the General Meeting for approval. Thank you very much.

Chairman: Thank you. I request **Mr. Árpád Balázs**, representative of the Auditor, to verbally outline the Auditor's Report on this agenda item.

Árpád Balázs: Thank you Mr. Chairman. Distinguished Shareholders! As previously discussed, it is the proposal of the Board of Directors to pay dividend of HUF 25 per share after the 2017 business year. Having reviewed the audited financial statements of Magyar Telekom Plc., including the balance sheet and the profit and loss statement, I hereby confirm that the After-tax Net Income and the available retained earnings of the Company provide sufficient coverage for the proposed dividend payment. Thank you.

Chairman: Thank you. I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Distinguished Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 678,027,991 affirmative votes (98.50%), 9,691,189 negative votes (1.41%), and 646,488 abstentions (0.09%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.023528 %, Negative: 0.929394 %, Abstention: 0.061999 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 365 668 pcs, and proportion thereof to the registered capital: 66.014921%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 6/2018 (IV.10.).

Agenda item no. 5

Information of the Board of Directors on the purchase of treasury shares following the Annual General Meeting in 2017; authorization of the Board of Directors to purchase ordinary Magyar Telekom shares

Chairman: I ask **Mr. Máthé**, to make known the submission and the resolution proposals.

Balázs Máthé: The submission prepared for the General Meeting is available in whole in the disclosed documents and is also included in the handout that has been distributed to the Shareholders during the registration. For the efficient time management of the General Meeting the parts of the submission and the respective resolution proposals are displayed on the screen. I hereby summarize the essence of the submission:

First part of the submission: Information of the Board of Directors on the purchase of treasury shares following the Annual General Meeting in 2017:

According to the Civil Code the Board of Directors shall provide information at the next general meeting about the reasons and type of the treasury share purchase, the number, the aggregate face value and the proportion of these shares to the Company's share capital, and also the purchase price of the acquired shares.

In accordance with the authorization of the General Meeting, until March 19, 2018, Magyar Telekom Plc. purchased Magyar Telekom ordinary shares with the aggregate face value of HUF 553,258,900 for a total purchase price of HUF 2,592,174,172, a total number of 5,532,589 shares, which constitute a 0.53% proportion of the share capital, for the purpose of the Employee Share Ownership Program (ESOP) announced on May 10, 2017. Magyar Telekom Nyrt. transferred these acquired shares to the Employee Share Ownership Organization (ESOP Organization).

Following the publication of the General Meeting submissions, to conclude the Employee Share Ownership Program announced on May 10, 2017, Magyar Telekom Plc. purchased from the ESOP Organization Magyar Telekom ordinary shares with the aggregate face value of HUF 505,841,700, for a total purchase price of HUF 2,250,995,565, a total number of 5,058,417 shares. The shares constitute a 0.49% proportion of the share capital.

On April 10, 2018, the date of the General Meeting, the total number of the treasury shares of Magyar Telekom Plc: 5,058,417 pieces.

I make known the resolution proposal:

“The General Meeting acknowledges the information of the Board of Directors on the purchase of treasury shares following the Annual General Meeting in 2017.”

Second part of the submission: authorization for the Board of Directors to purchase ordinary Magyar Telekom shares:

The Board of Directors proposes to the General Meeting to give an authorization to purchase treasury shares. I make known the resolution proposal:

“The General Meeting authorizes the Board of Directors to purchase Magyar Telekom ordinary shares, the purpose of which could be the following:

- to supplement Magyar Telekom’s current shareholder remuneration policy in line with international practice;
- to operate a share based incentive plan.

The authorization will be valid for 18 months starting from the date of approval of this General Meeting resolution. The shares to be purchased on the basis of this authorization together with the treasury shares already held by Magyar Telekom shall not at any time exceed more than 10% of the share capital effective at the date of granting this authorization (i.e. up to 104,274,254 ordinary shares with a face value of HUF 100 each) of Magyar Telekom Plc.

The shares can be purchased through the stock exchange or on the OTC market. The equivalent value per share paid by Magyar Telekom Plc. may not be more than 5% above the market price of the share determined by the opening auction on the trading day at the Budapest Stock Exchange. The minimum value to be paid for one share is HUF 1.

The authorization may be exercised in full or in part, and the purchase can be carried out in partial tranches spread over various purchase dates within the authorization period until the maximum purchase volume has been reached.

Authorization granted to the Board of Directors by Resolution No. 9/2017 (IV.7.) of the General Meeting is hereby repealed.”

Chairman: Thank you. I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board’s Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! The Supervisory Board examined the information of the Board of Directors on the purchase of treasury shares following the Annual General Meeting in 2017 and the proposal of the Board of Directors to purchase ordinary Magyar Telekom shares, and acknowledged them. Thank you.

Chairman: I ask the Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, there is one...

Ferenc Gaál: Ferenc Gaál, no. 020-4. I find the share purchase program, and I think, I can also talk for fellow minority shareholders, a forward looking initiative. My question is that out of this what incentive system and at what levels are built by the company. I would like to ask the Chief Officer to answer, or the officer who is responsible for human resources.

János Szabó: In general the share purchase authorization may have multiple objectives, and we list them here. This can be an external incentive, when we incentivize investors, in a given case with some kind of promise on positive return. The other that we can talk about is the internal incentive. Looking at the utilization that took place in 2017 basically this means the background of an internal incentive program. This is the ESOP program that supports the incentivization of employees, and a quite favorable set of requirements was set up two years ago in the Hungarian regulatory system and we are using this system, and in line with the agreements with the internal interest representation organizations we use this program to pay various bonuses through the system and the program to the employees. Besides this, there was another one in 2016, maybe I can refer back to it, although this was not a 2017 program, back then we had a similar program when employees could receive a one-off share package as an acknowledgment of the performance, for the achievement of the previous year's results, and that was another type, but still internal incentive program. So currently this is what we primarily use the acquisition of shares for.

Ferenc Gaál: Thank you very much.

Chairman: Are there any other questions or comments? Yes, we have one here.

Máté Dudás: Thank you, Máté Dudás, 048-5. My first question is: what is the value of equity per share at Magyar Telekom? And my next question will be related to this. How much is the equity per one share, because this was not included in the report.

János Szabó: Now, the order of magnitude, if I remember well by heart, is around 420-430 HUF.

Máté Dudás: What is your plan, maybe if the share price in the stock exchange goes below this level, will you buy shares then? Now I think the financing is quite cheap for this, this would be in the shareholders' interest, if you would buy shares on the stock exchange under the value of the equity. And I also think that the value of equity per one share is expected to increase, so maybe I jump forward with this question in time, but I think that our interest would be if Magyar Telekom would not only apply the purchase of own shares in the management incentive program and the employee remuneration policy, but also for other purposes like this, which would create value for all other shareholders.

János Szabó: Yes, this is a recurring question, and in given cases there was an even stronger relevance for this, when the share price was indeed below this value, there was a period two years ago, three years ago when the share price was permanently under 400 HUF, nonetheless, the primary basis of the company's dividend policy and, say, the incentive policy of external investors is currently the dividend, not excluding at any time, in a given case, the possibility that we supplement the dividend with share repurchase. This is why we have an ongoing authorization for the Board of Directors. The decision, the ultimate decision making competence is allocated to either the Board of Directors or the General Meeting. So at the end of the day the owners can make a decision on that. I do not exclude the possibility. This is an ongoing option but we primarily think in terms of the dividend.

Chairman: Are there any other questions or comments? One more.

Máté Dudás: Thank you, I only would like to add, so that the other shareholders understand it too. If you repurchase own shares, the dividend of other's will not decrease, but rather increase. So because it is not only an either-or option, but this is like ... Thank you.

János Szabó: That is why I say that I understand it, and the idea in general is basically valid, so I do not question it and do not say that there's any problem with it. Currently the authorization and the Board decisions encourage working with the dividend and the share repurchase is a secondary option.

Chairman: There is another question there.

János Zelena: János Zelena, 065-0. The authorization is valid for 18 months, or will be valid if the General Meeting approves what the Board of Directors' proposal refers to. I would like to ask if there's any problem with providing this authorization for more than 18 months? This question regularly arises at almost every general meeting, so can we phrase this in a way whether this is applicable to the entire period of the share-based incentive system or this authorization can be valid until its termination by the General Meeting. What is the reason behind the 18 months and that this topic is discussed practically at every general meeting.

Balázs Máthé: There is a legal upper limit on the period of the authorization, and we comply with that.

János Zelena: Thank you.

Chairman: Any other questions or remarks? If there are none, I inform the Distinguished Shareholders that the voting ratio necessary for adopting these resolutions is simple majority. This agenda item contains two resolution proposals on which we will vote in line with the submission, one by one, in the order of the proposals. First, we will vote on the information of the Board of Directors. I put the proposal to vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,285,283 affirmative votes (99.84%), 89,855 negative votes (0.01%), and 961,121 abstentions (0.14%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.911311 %, Negative: 0.008617 %, Abstention: 0.092172 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 336 259 pcs, and proportion thereof to the registered capital: 66.012100%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 7/2018 (IV.10.).

Now we will vote on the authorization to purchase treasury shares. I put the proposal to vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,364,958 affirmative votes (99.85%), 49,971 negative votes (0.01%), and 921,330 abstentions (0.13%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.918952 %, Negative: 0.004792 %, Abstention: 0.088356 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 336 259 pcs, and proportion thereof to the registered capital: 66.012100%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 8/2018 (IV.10.).

Agenda item no. 6

Decision on the approval of the Corporate Governance and Management Report

Chairman: I ask **Mr. Máthé**, to make known the submission:

Balázs Máthé: Pursuant to the Civil Code, the board of directors of public limited companies must submit the corporate governance and management report to the Annual General Meeting of the company, prepared according to the rules applicable to the persons of the given stock exchange. According to the Articles of Association, the approval of the corporate governance and management report is within the exclusive authority of the General Meeting. The report and the declaration attached thereto were prepared on the basis of the provisions of the Civil Code and the Corporate Governance Recommendations of the Budapest Stock Exchange. The Board of Directors

submits to the General Meeting the Corporate Governance and Management Report for the business year of 2017 of Magyar Telekom Plc. in line with the disclosed material.

Chairman: I ask **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! Briefly. The Supervisory Board examined the Corporate Governance and Management Report of the Company, and acknowledged it and proposes it to the General Meeting for acceptance.

Chairman: Thank you. I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I ask **Mr. Máthé** to make known the resolution proposal:

Balázs Máthé: "The General Meeting approves the Corporate Governance and Management Report of the Company for the business year of 2017."

Chairman: The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,364,191 affirmative votes (99.85%), 4,830 negative votes (0.00%), and 922,747 abstentions (0.13%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.918879 %, Negative: 0.000463 %, Abstention: 0.088492 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 291 768 pcs, and proportion thereof to the registered capital: 66.007834%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 9/2018 (IV.10.).

Agenda item no. 7

Decision on granting relief from liability to the members of the Board of Directors

Chairman: I ask **Mr. Máthé**, to make known the submission and the resolution proposal:

Balázs Máthé: Pursuant to the Civil Code, the company's general meeting, simultaneously with the approval of the financial statements, upon request of an executive officer, may grant relief from liability to the executive officer on ascertaining the appropriateness of the management activities during the previous business year. According to the Articles of Association, the decision on granting liability relief to the members of the Board of Directors is within the exclusive authority of the General Meeting. The company may bring action against the executive officer on the grounds of breaching management activities in a claim for damages if the facts and information based on which the relief of liability was granted were false or insufficient. I make known the resolution proposal:

"The General Meeting of Magyar Telekom Plc. ascertains the appropriateness of the management activities of the Board of Directors members of the Company in the previous business year and decides to grant the relief from liability to the members of the Board of Directors of the Company with respect to the 2017 business year. By granting the relief, the General Meeting confirms that the members of the Board of Directors have performed the management of the Company in 2017 by giving primacy of the interests of the Company."

Chairman: I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! The Supervisory Board examined the submission of the Board of Directors on granting relief from liability to the members of the Board of Directors, and agrees that the General Meeting should grant relief from liability to the members of the Board of Directors for the business year of 2017.

Chairman: Thank you. I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Shareholders that the voting ratio necessary for adopting this resolution is simple majority and I put the proposal to the vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 685,732,298 affirmative votes (99.62%), 264,605 negative votes (0.04%), and 2,349,991 abstentions (0.34%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.762379 %, Negative: 0.025376 %, Abstention: 0.225366 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 346 894 pcs, and proportion thereof to the registered capital: 66.013121%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 10/2017 (IV.10.).

Agenda item no. 8

Election of an employee representative of the Supervisory Board

Chairman: I ask **Mr. Máthé**, to make known the submission and the resolution proposal.

Balázs Máthé: Éva Őz, employee representative of Magyar Telekom Plc.'s Supervisory Board informed the Board of Directors of the Company that she resigned from her position being a member of the Supervisory Board effective upon the date of the Annual General Meeting of Magyar Telekom Plc. in 2018. Therefore, the Board of Directors proposes the General Meeting to elect a new employee representative. We thank Éva Őz for her successful work.

In accordance with Section 7.2.4. of the Articles of Association the employee representatives of the Supervisory Board are nominated by the Central Workers' Council considering the opinion of the trade unions operating at the Company. Persons nominated by the Central Workers' Council shall be elected by the General Meeting to the member of the Supervisory Board, except if disqualification exist in respect of the nominated persons. The nominee of the Central Workers' Council is Attila Bujdosó.

The Board of Directors with the agreement of the Remuneration and Nomination Committee proposes the following person to be elected by the General Meeting: Attila Bujdosó (employee representative, based on the nomination of the Central Workers' Council).

The biography of the nominee is available among the published documents and is presented on the screen along with the respective resolution proposal. I ask the nominee to stand up, in case someone does not know him, thank you.

I make known the resolution proposal:

“The General Meeting elects Mr. Attila Bujdosó to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2019, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

Chairman: Thank you. I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! The Supervisory Board examined the submission of the Board of Directors on the election of an employee representative member of the Supervisory Board, and acknowledged it.

Chairman: I ask the Distinguished Shareholders whether there are any questions or remarks? If there are none, I inform the Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,188,814 affirmative votes (99.83%), 239,455 negative votes (0.03%), and 866,492 abstentions (0.13%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.902060 %, Negative: 0.022964 %, Abstention: 0.083097 %.) Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 294 761 pcs, and proportion thereof to the registered capital: 66.008121%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 11/2018 (IV.10.).

Agenda item no. 9

Decision on the amendment of the Articles of Association of Magyar Telekom Nyrt. (Section affected with the amendment: 6.4. Scope of authority of the Board of Directors (6.4. (p))

Chairman: I ask **Mr. Máthé**, to make known the reason for the amendment of the Articles of Association and the relating submission.

Balázs Máthé: According to the Civil Code and the Articles of Association the decision on the amendment of the Articles of Association falls into the exclusive scope of authority of the General Meeting of the Company, unless otherwise provided for by the law or the Articles of Association.

The reason for the modification and the wording of the proposed modification of the Articles of Association are available as part of the disclosed submission, and are also included in the handout distributed during the shareholders' registration.

For the efficient time management and for ease of reference the wording of the modification and the resolution proposal are also displayed on the screen.

The amendment of the Articles of Association is proposed for the following reason:

The Company will move into the new headquarters in the second half of 2018 but prior to the next ordinary General Meeting and the registered office of the Company shall be changed accordingly. Therefore, the possibility to change the registered office of the Company and to modify the Articles of Association in relation to this shall be added to Section 6.4. (Scope of authority of the Board of Directors) (p) of the Articles of Association as it is presented on the screen. It's on the screen, so I will not read it out.

"6.4. Scope of authority of the Board of Directors

The Board of Directors shall

[...]

(p) be entitled to make decisions regarding any change in the registered office, sites, branch offices and – except for the main activity – the scope of activities of the Company and in relation to this, to modify the Articles of Association;

[...]"²

The relevant resolution proposal:

"The General Meeting approves the amendment of Section 6.4. (p) of the Articles of Association according to the submission."

² The part in the frame was presented on screen during the general meeting.

Chairman: Thank you. I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

dr. László Pap: Distinguished General Meeting! Of course the Supervisory Board supports this submission and proposes it for approval.

Chairman: Thank you. I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Distinguished Shareholders that the voting ratio necessary for adopting the amendment of the Articles of Association is three-quarters majority. I put the proposal to the vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,391,521 affirmative votes (99.86%), 5,855 negative votes (0.00%), and 866,493 abstentions (0.13%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.921500 %, Negative: 0.000562 %, Abstention: 0.083098 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 263 869 pcs, and proportion thereof to the registered capital: 66.005160%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 12/2018 (IV.10.).

Agenda item no. 10

Election and determination of the remuneration of the Company's Statutory Auditor, and determination of the contents of the material elements of the contract to be concluded with the Statutory Auditor

Chairman: To elect, remove and determine the remuneration of the Statutory Auditor of the Company and to define the contents of the essential elements of the contract to be concluded with the Statutory Auditor falls within the exclusive scope of authority of the General Meeting. It is the competence of the Supervisory Board to make proposal in this regard to the General Meeting.

I request **dr. László Pap**, Chairman of the Supervisory Board, to make known the **proposal of the Supervisory Board** and the essence of its Report related to this agenda item verbally to the Shareholders.

dr. László Pap: Distinguished General Meeting, I will not be brief this time. The Supervisory Board accepted its proposal on the election and determination of the remuneration of the Company's Statutory Auditor, and determination of the contents of the material elements of the contract to be concluded with the Statutory Auditor, and submits it to the General Meeting as follows:

The Supervisory Board proposes the contents of the material elements of the contract to be concluded with the Auditor to be determined with the following content:

- **Scope of the contract:**
The audits of the Standalone Financial Statements and the Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS) for the business year 2018.
- **Billing and payment, payment of fees:**
The fee of the Auditor shall be paid in 12 monthly installments. The Auditor may change the fees reasonably and proportionally if the scope of the work is changed (for example, significant change in Magyar Telekom Group, significant change in business or regulatory circumstances) for an unforeseeable reason, or if excess work arises for a reason attributable to the interests of the Company, provided that the scope and fees of the excess work are mutually agreed in advance by the contracting parties and the Audit Committee pre-approves the same according to its Pre-Approval Policy.

- Duration of the contract:
The contract is for the period ending May 31st, 2019 or if the Annual General Meeting closing the 2018 business year will be held prior to May 31st 2019 then until the date thereof.

Resolution proposal:

"The General Meeting elects as Statutory Auditor of Magyar Telekom Plc. (the "Company") PricewaterhouseCoopers Auditing Ltd. (registered office: 1055 Budapest, Bajcsy-Zsilinszky út 78.; company registration number: 01-09-063022; registration number: 001464) to perform audit services for the business year 2018 in accordance with the submission, for the period ending May 31st 2019 or if the Annual General Meeting closing the 2018 business year will be held prior to May 31st 2019 then on the date thereof.

Personally responsible registered auditor appointed by the Statutory Auditor: Árpád Balázs

Chamber membership number: 006931

Address: 1124 Budapest, Dobsinai u. 1.

Mother's maiden name: Hedvig Kozma

In the event he is incapacitated, the appointed deputy auditor is: Balázs Mészáros (chamber membership number: 005589, mother's maiden name: Orsolya Lőcsei, address: 1137 Budapest, Katona József u. 25. V. em. 4.).

The General Meeting approves HUF 215,946,000 + VAT + 8 % related costs + VAT to be the Statutory Auditor's annual compensation to perform audit services for the business year 2018, covering the audits of the Standalone Financial Statements and the Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS).

The General Meeting approves the contents of the material elements of the contract to be concluded with the Statutory Auditor according to the submission."

Chairman: Thank you. I ask the Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: with the number of votes cast indicated by the computer and recorded in the minutes, i.e. with 687,325,641 affirmative votes (99.85%), 71,081 negative votes (0.01%), and 867,147 abstentions (0.13%), the General Meeting has adopted the resolution. (Voting ratios in proportion to the registered capital: Affirmative: 65.915182 %, Negative: 0.006817 %, Abstention: 0.083160 %. Shares represented by validly cast votes, i.e. total number of validly cast votes: 688 263 869 pcs, and proportion thereof to the registered capital: 66.005159%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 13/2018 (IV.10.).

Chairman: Before closing the General Meeting I would like to give the floor to Mr. János Szabó. János.

János Szabó: Thank you, let me make a brief correction. In one of the answers to a question one of the numbers was not correct. The value of equity per share is not 430 but around 530 HUF.

Chairman: Thank you. With no more items on the agenda of the General Meeting, let me thank the Shareholders for their participation. I declare the General Meeting closed at 12:41 p.m.

.....
Christopher Mattheisen
Chairman of the General Meeting

.....
dr. Balázs Modok
Keeper of the Minutes

.....
Anne Beever
Authenticator of the Minutes

Countersigned in Budapest, on May 2018, by:

.....
dr. Zsolt Herczegh
registered legal counsel
reg. no.: 36061459

REPORT OF THE BOARD OF DIRECTORS ON THE MANAGEMENT OF MAGYAR TELEKOM PLC., ON THE BUSINESS OPERATION, ON THE BUSINESS POLICY AND ON THE FINANCIAL SITUATION OF THE COMPANY AND MAGYAR TELEKOM GROUP IN 2017

CHRISTOPHER MATTHEISEN
CEO – MEMBER OF THE BOARD OF DIRECTORS

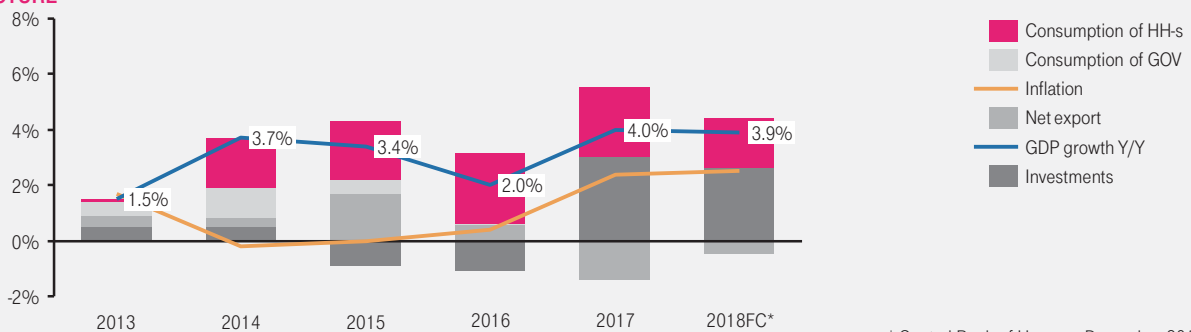
ANNUAL GENERAL MEETING
APRIL 10, 2018



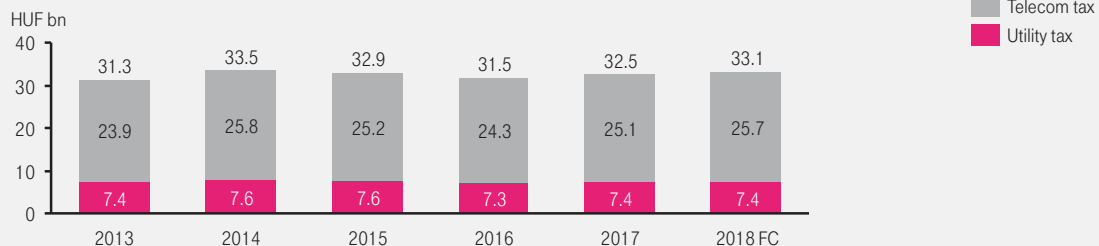
EGYÜTT. VELED

HUNGARIAN ECONOMIC ENVIRONMENT

GROWTH STRUCTURE

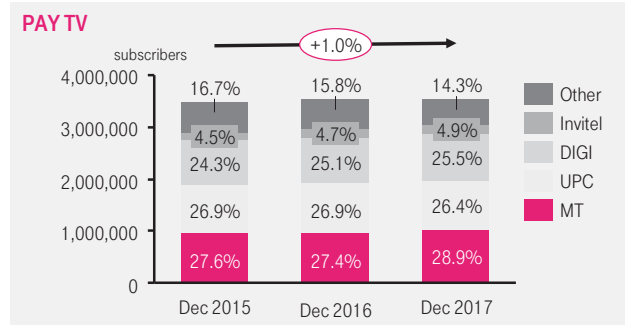
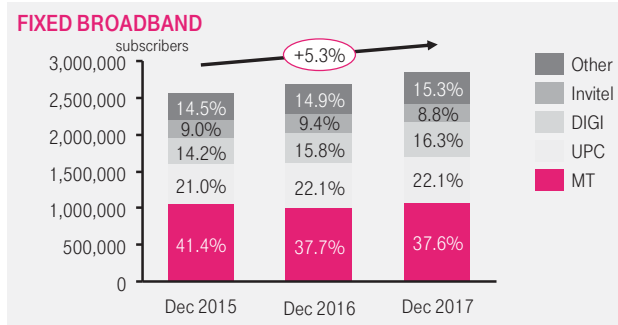
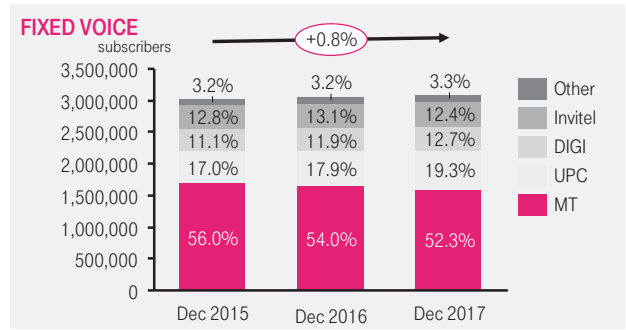
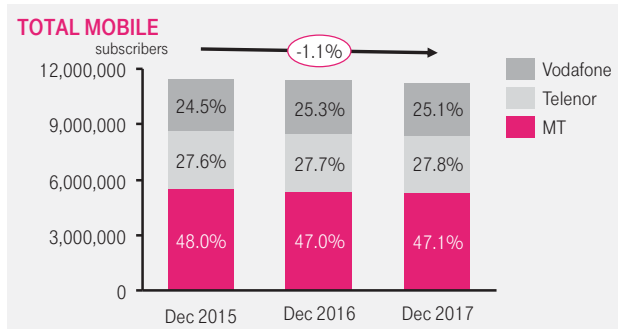


TAXES LEVIED ON MAGYAR TELEKOM

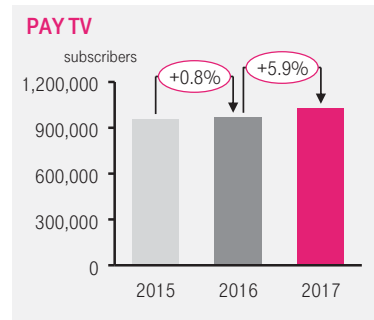
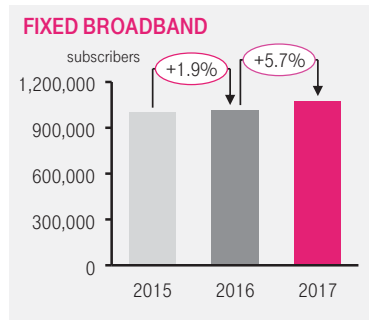
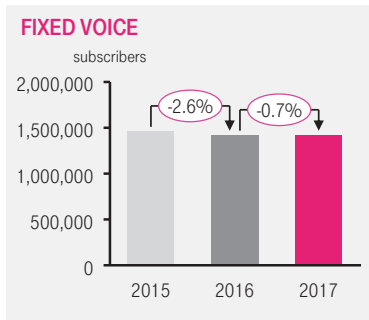
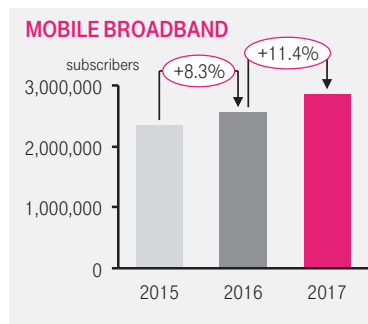
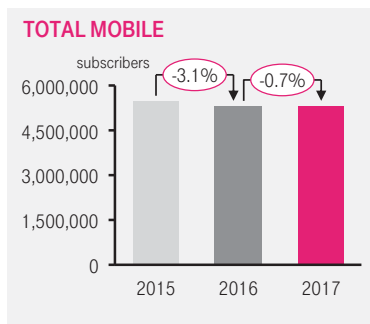


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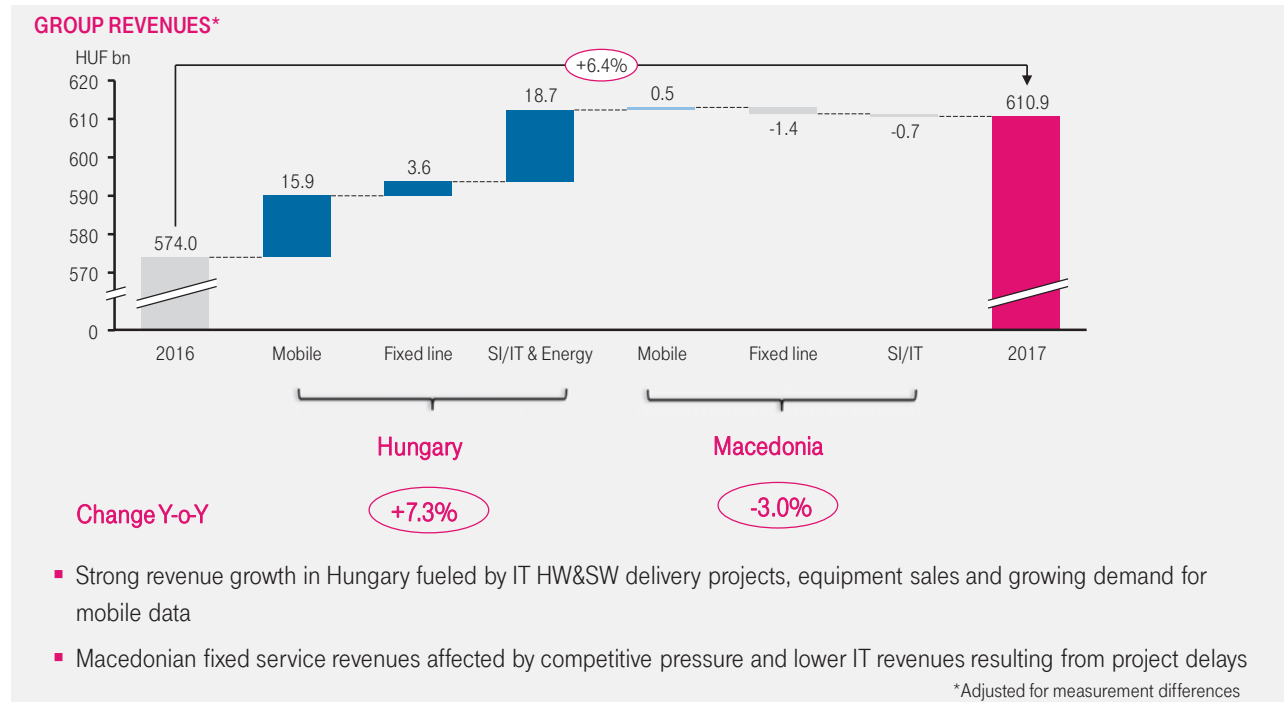
HUNGARIAN TELECOMMUNICATION MARKET



HUNGARIAN SUBSCRIBER DEVELOPMENTS



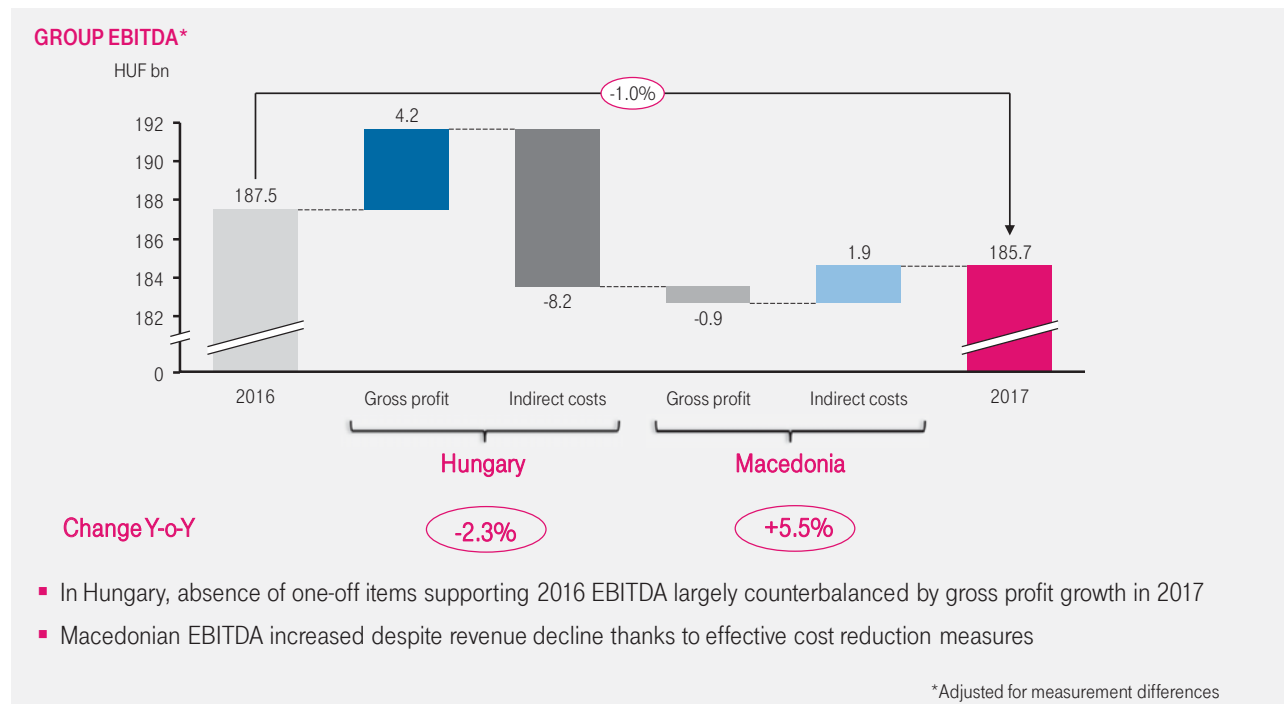
2017 GROUP RESULTS – REVENUES



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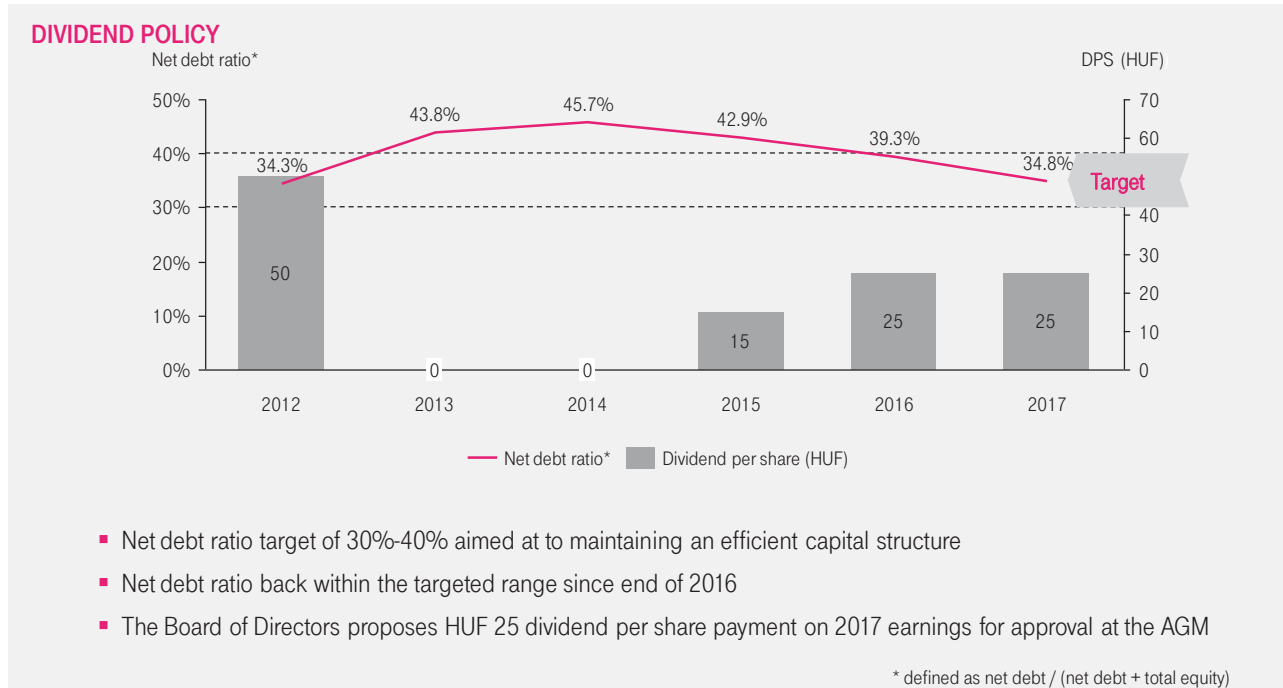
2017 GROUP RESULTS – EBITDA



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DIVIDENDS



2017 RESULTS AND PUBLIC TARGETS FOR 2018

	2017 RESULTS	2018 TARGETS
REVENUE	HUF 610.9 billion	around HUF 600 billion
EBITDA	HUF 185.7 billion	around HUF 190 billion
CAPEX	HUF 86.2 billion	around HUF 90 billion
FCF ¹	HUF 58.4 billion	around HUF 60 billion

¹Excluding the transaction price of the disposal of the majority ownership in Crnogorski Telekom

AWARDS WON IN 2017



Employer Branding Award 2016



Best Onboarding Program (HRKOMM Award)



Employer Branding
Award

Disability-Friendly Workplace 2017

Carbon neutrality in 2017



FTSE4Good

Telekom has joined to EU Diversity Charter Hungary

Oekom Responsible Investment 2017 - Prime category



Mobile Benchmark Hungary – ‘Best in Test’

FTSE4Good Emerging Index membership



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MANAGEMENT COMMITTEE



Christopher Mattheisen
Chief Executive Officer



Tibor Rékasi
Chief Commercial
Officer Residential



Zoltán Kaszás
Chief Commercial
Officer Enterprise



János Szabó
Chief Financial
Officer



Balázs Máthé
Chief Legal and
Corporate Affairs
Officers



Dr. Kim Kylesbech
Larsen
Chief Technology
and IT Officer



Zsuzsanna Friedl
Chief Human
Resources Officer



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THANK YOU FOR YOUR ATTENTION!

FOR FURTHER QUESTIONS PLEASE CONTACT THE INVESTOR RELATIONS DEPARTMENT:

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E-MAIL: INVESTOR.RELATIONS@TELEKOM.HU



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