

Charter of the Board of Directors

MOL Hungarian Oil and Gas Public Limited Company

October 2010

INTRODUCTION

MOL Hungarian Oil and Gas Public Limited Company (hereinafter referred to as “MOL Plc.” or “the Company”) is a dominant participant in the Hungarian economic and business life.

The Board of Directors, as MOL Plc’s highest managing body has collective responsibility, manages the Board of Directors’ activities and key objectives to increase shareholder value in line with the other stakeholders’ interests, improve profitability and efficiency, ensure transparency in operation, manage risks, protect the environment, guarantee healthy and safe working conditions (“the Objectives”).

The Board of Directors wants to emphasize that MOL Plc. and its subsidiaries form a coherent whole and assumes the responsibility and obligation for implementing the above Objectives in MOL Group as a whole.

The Board of Directors therefore approves this Charter, guided by the Objectives, to define the responsibilities and operational rules for the Board.

I. The scope of authority and responsibilities of the Board of Directors

1. Pursuant to Article 243(1) of Act IV. of 2006 (hereinafter the Act on Business Associations or Company Act, CA), the Board of Directors will be the supreme management body of the public limited company. The Board of Directors will have the power to make all decisions related to management of the corporation, excluding those decisions which can only be made at the General Meeting or other corporate body pursuant to laws or the Articles of Association.
2. The detailed scope of authority and responsibilities of MOL's Board of Directors is defined in the Company's Articles of Association.
3. The Board of Directors operates and makes resolutions as a body. It may assign specific responsibilities or tasks to committees in order to improve operational efficiency and professional decisions, as well as occasionally involve external experts to its operations.

The Board of Directors may assign certain areas and responsibilities onto its Committees or its individual members, or assign certain tasks for preparing reports and draft proposals, but this will not authorise such members to take actions towards the working organisation, and will not impact upon the collective nature of the decisions.

The Board of Directors will operate the following permanent committees:

Finance and Risk Management Committee
Corporate Governance and Remuneration Committee
Sustainable Development Committee

The Board of Directors shall define the responsibilities and operational procedures of committees in accordance with the proposal of the Committee's Chairman. Board charter's sections II-III have to be applied for committees' operation as well, where Chairman means Chairman of Committee.

When needed the Board of Directors may delegate its decision making powers for a defined period of time to the Committees, which must inform all the Board Members about their decisions without delay, and the delegation does not alter the collective nature of such board decision.

4. The Chairman-Chief Executive Officer (the "Chairman") and/or the Group Chief Executive Officer will report to each Board meeting with the relevant information on main events since the last Board meeting in the following breakdown of issues: launching of new projects, status of ongoing projects, extraordinary events, high-level negotiations.

The Board of Directors will define the scope of information reporting required on a monthly and quarterly basis.

5. The Board of Directors will at least annually, but with the frequency as required, review the List of Decision-Making Authorities and will define the value limits set forth therein.
6. The Chairman will control and co-ordinate the Board of Directors' operation. Between Board of Directors' meetings the Chairman will perform his tasks in the spirit of the Board of Directors' resolutions. In the event the Chairman of the Board of Directors is at the same time also an employee of the Company, the Vice-Chairman of the Board of Directors ("Vice-Chairman") will be responsible for coordinating the activities of the non-executive Board Members. To perform his work, the Chairman and the Vice-Chairman will use the Board of Directors' Secretariat and, through the secretariat, he will secure the conditions for the directors' work and the necessary working conditions.

The Chairman is authorized to refer any intra-organizational issues to the Board of Directors for decision, as he deems appropriate at his discretion.

7. The Chairman's main responsibilities and duties are as follows:
 - To oversee contacts with representatives of the shareholders, the government and authorities, as well as with other stakeholders if and when required;
 - To secure the Board of Directors' controlling and managing role, and to facilitate/promote the consistent company management;
 - To ensure clear, transparent and mutually accepted distribution of work between the Board of Directors and the Management, and to make proposals for committees in addition to the committees under Article 3.;
 - To prepare and regularly convene the Board of Directors' meetings, provide timely and sufficient information for efficient work, to enforce professional expectations by the Board of Directors and the Management, to enforce the Charter of the Board of Directors, and to prepare proposals for amendments, if required;
 - To prepare issues within the Board of Directors' competence in accordance with the List of Decision-Making and Authorities;
 - To make preparations for general meetings.

8. The Vice-Chairman's main responsibilities and duties:
 - To oversee relations among non-executive and executive members of the Board of Directors;
 - To represent the opinion of the non-executive Board of Directors members within the Company and vis-à-vis third parties;
 - To lead the work of the Board of Directors' Corporate Governance and Remuneration Committee.
9. The Board of Directors' decisions will be recorded in writing in the form of resolutions and, unless it is included in the written proposal, the Chairman will generally formulate their text and make action to publish them.
10. The Board of Directors will maintain working relations with the company's organization through the Chairman-Chief Executive Officer; all resolutions and decisions will be communicated to the Chairman-Chief Executive Officer for implementation and he will report to the Board of Directors on the company's affairs. In addition, the Board of Directors, the committees and the Board members will be entitled to request information or opinion from any unit or employee of the company by informing the Chairman-Chief Executive Officer thereof.
11. The Chairman or the Board member appointed by the Chairman will represent the Board of Directors in front of authorities, state agencies, business partners and the general public.
12. As part of the approval of the general business policy, the Board of Directors will define MOL Plc's media policy and the officers authorised to make public statements on the Company's behalf.
13. The Board of Directors may ask any Board members to act and proceed at any domestic or international organisation or person/entity. Such member shall report on his actions to the Board of Directors on the next meeting.

II. Operations of the Board

14. The Board of Directors operates in accordance with a working plan and it usually prepares and approves such plan at the beginning of the year, though it may amend the plan during the year as it is needed. Any member of the Board is entitled to make proposals to the working plan.

The Board of Directors will put on the agenda and discuss all issues submitted by the Chairman-Chief Executive Officer.

15. The working plan shall contain the actions so that mandatory issues to be discussed by the ordinary meetings in accordance with Article 16.1. of the Articles of Association shall be set to the agenda at a specific date (meeting). The Board's Secretariat will coordinate the appropriate preparatory materials (proposal or report) and even some directions may be given to the relevant work organisations if required.
16. Preparatory materials shall be prepared for the Board of Directors meeting in English language indicating the name(s) of the author(s), and the Chairman-Chief Executive Officer, Group Chief Executive Officer and Chief Financial Officer shall approve such

documents. A maximum two-page (subject to the length) executive summary will be prepared in Hungarian and in English language for the said documents, and, depending on the professional depth of the given material, a glossary introducing the special terms and concepts described in the materials.

17. The proposal shall comply with the following requirements in substance, format and scope:

Management Summary (max. 2 pages):

business objective, required resources, expected result
risk identification, proposal for risk management/mitigation
options for decisions, their impacts and fit to strategy.

Financial information:

in line with the nature of the proposal.

Draft resolution (no reference to appendices is allowed):

it may contain several options, in such event with comparing and evaluating each option and with the Management's proposal.

Appendix (as and if required):

detailed explanation, justification, rationale, benchmarking, methods applied, description of processes, market and competition analysis

18. The Board of Directors will reject any preparatory materials, found inappropriate, for revision, correction or supplement, and the issue may be again set on the agenda of any subsequent Board meeting.
19. Members of the Board of Directors will be entitled to propose any issue to be set on the agenda of the Board meeting with reference to urgency.
The Board of Directors will decide to discuss such urgent agenda or not.
In the event the proposal for urgent discussion was not prepared and submitted in writing, such proposal shall be subsequently sent to each member of the Board through the Board Secretariat within 4 days following the Board meeting with the content identical with the verbal proposal.
20. The Board's Secretariat will support the operations of the Board of Directors, and shall ensure compliance with the Board's Charter and its resolutions, provision of conditions required for the Board's activities, as well as facilitate and secure the appropriate cooperation between the Board of the Directors and the Management. The manager of the Board's Secretariat is the Secretary of the Board of Directors, and his employment can be established and terminated by the Board of Directors' approval.

III. Meetings of the Board of Directors

21. The Secretary will prepare the meetings and will send letters of invitation for the relevant pre-determined dates or ad hoc date of meetings defined by the Chairman ensuring that members can receive all written preparatory materials prior to the meeting by the date prescribed in the Articles of Association, and will always send such written preparatory materials allowing sufficient time for reading and understanding them.
22. Board members, and experts invited by the Chairman, will participate in the meetings. Any member of the Board of Directors may propose to hold a closed meeting. In such

event the Chairman of the Board of Directors shall order, with immediate effect, to hold a closed meeting, without any voting process.

23. The Chairman will chair the meeting, and if the Chairman is absent, the Vice-Chairman or a member appointed by the Chairman will chair over the meeting. In such capacity the Chairman of the meeting shall define the agenda and secure all conditions for holding the meeting properly.
24. The Board of Directors' meetings will have a quorum if no more than three members are absent from the meeting. In case there is no quorum at the first meeting a second meeting has to be called within 48 hours.
25. If any member is prevented of personally attending a Board meeting, but he can participate in the meeting by telephone or video conference call and in the voting process throughout the entire meeting, then he should be deemed as if he personally participated in the Board meeting. The starting and closing dates of such contact should be recorded in the minutes and subsequently signed by the missing member.
26. Agenda of the Board meetings

Permanent issues on the agenda of Board meetings:

- to approve the minutes of the previous meeting,
- the Chairman-CEO's and/or the GCEO's report on events since the last meeting,
- report by the Committee chairmen on preliminary resolutions taken and activities pursued since the last Board meeting,
- to approve the agenda, to determine the timeframe for each item of the agenda,
- to decide on the date and agenda of the next meeting.

27. The minutes on the Board meeting shall be taken in Hungarian and English languages. The minutes shall be prepared in Hungarian and English in writing (hard copy) within 8 days following the meeting, and shall be sent to each Board member and persons specified by the Chairman.

The minutes shall contain the place and date of the meeting, name of participants, including the title of their participation, items of the agenda, main conclusions and messages, result and share of voting, the approved resolutions, and, if need be, any minority or other opinion if it is retained even after the approval of the relevant resolution.

The minutes shall be authenticated by the Chairman, the Director assigned by the Board of Directors and the Secretary of the Board of Directors.

Minority or other opinion shall be attached to the minutes in writing, if so required.

Abstracts shall also be prepared from the minutes, if so required, and to be signed by the Chairman of the meeting.

28. An action list shall be prepared on the Board meetings.

Such action list shall contain the following:

- resolutions approved on the meeting,
- name of person or unit responsible for implementing the resolution,
- deadline set for the implementation,
- date for repeated discussion of the issue, if it is needed.

29. As the conclusion of discussion of any issue on the agenda, the chairman will ask for votes over the draft resolution. If the chairman proposes the original written draft for voting, this fact shall be recorded in the minutes. If draft(s) was (were) amended in the course of the discussion, then the minutes shall record the final version of the draft resolution word by word, as it was proposed for voting. The sequence of the voting process shall be as it follows: first voting shall be held on the proposed amendments according to the sequence of their submission, then on the amendments approved by voting or, in lack of such amendments, on the full (original) drafts.
30. The Board of Directors decides over resolutions by simple majority of votes (in case of a tie vote, the Chairman's vote will decide). Board member involved or affected in person or in respect of a transaction/business related to the resolution due to conflict of interest as described in Appendix no. 1 of this Charter shall not participate in the voting process. If a Board member is not allowed to vote in an issue, this member will be disregarded from the headcount regarding the quorum for the given resolution.
31. Any member if prevented of attending the meeting may vote in advance in writing, through the services of the Board Secretariat, by the start of the Board meeting as the latest. Such member may exercise this right separately for each item of the agenda, and his vote shall be counted irrespective of his absence, if the meeting otherwise has a quorum and if the draft was proposed in a written document and this proposition was not amended or modified and finally approved in the original form.
32. When approving a resolution, the Board of Directors will also decide on the scope or circle of persons who may get access to such resolution in the Company, or whether the resolution is disclosed for the public.
33. The Secretary of the Board of Directors is responsible for the preparation of the meetings, for keeping the minutes on the meeting, preparing resolutions in writing, also for recording, disclosing/ publishing and filing them.
34. The Chairman of the Board will at any time be entitled to convene an extraordinary meeting. If it is so proposed by the Vice Chairman, or the Group Chief Executive Officer, or at least two members of the Board of Directors, giving the reason for holding the extraordinary meeting and the issue to be discussed thereof, the Chairman of the Board of Directors shall be obliged to immediately convene the extraordinary meeting. The Secretary of the Board shall send the letter of invitation, with the proposition attached, so that members receive it at least 8 days prior to the date set for the meeting. In justified cases extraordinary meetings may be convened even at shorter notice pursuant to the joint decision of the Chairman and the Vice Chairman. Extraordinary meetings shall be otherwise held in accordance with provisions under Section III.
35. If any urgent issue may arise between two board meetings and if the Chairman deems, based on the written proposition and the draft resolution, that the issue should, as an exceptional case, be decided upon without a verbal discussion, then the Chairman has the right to order a vote in writing. In such event the Chairman will send such proposition in a relevant notice to the members and informs them on the submission date he has set for members to return their unambiguous votes in writing (by mail, telex, telefax or e-mail). A Director who fails to meet the deadline set forth by the Chairman will be deemed to have not participated in the voting process. Provisions governing the quorum and voting shares required for approving draft resolutions will also apply onto such votes in writing. Such vote in writing will be effective if votes have been submitted by the set deadline and in a number as required for the quorum. The resolution will be deemed as in effect as of the date when the relevant deadline has expired or, if all members have

sent their votes by a date prior to such deadline, as of the date when the last vote has arrived.

36. In the event the process described in Article.35 is invoked, the Chairman will determine the voting results. Proposals communicated and responses sent under such process shall be filed the same way as the documents of ordinary meetings.
37. In the event an issue may emerge, which requires an urgent decision, the Chairman of the Board of Directors may ask the Board members to participate in a telephone or video conference, and will inform each member in writing on the date of such conference and the brief description of issues to be discussed.

Such telephone or videoconference shall be deemed as extraordinary Board meeting provided that the number of participants reached the level otherwise required for the quorum of the Board. In all other aspects provisions governing ordinary Board meeting (i.e. when members personally attend) will apply to such meetings held by telephone or videoconference.

IV. Responsibilities of the Board of Directors towards the shareholders

38. The Board of Directors shall have the responsibility for securing that the Company, in its daily operations, observes the scope of authority reserved exclusively for the general meeting in accordance with Article 12. of the Articles of Association..
39. The Board of Directors shall be responsible for preparing, convening and appropriately holding the annual general meeting. Similarly, the Board of Directors shall convene the extraordinary general meeting if so required by the Company Act or the Articles of Association.
40. The Board shall define the agenda for the general meeting and prepare the preparatory materials for each item of this agenda and the draft resolutions.
41. Letter of invitation to the general meeting shall be sent out 30 days prior to the date of the general meeting to the persons specified in accordance with the provisions of Article 13.1. of the Articles of Association, and the Invitation to the General Meeting shall also be published.
42. The investors relations unit, in cooperation with the Board of Directors' Secretariat, will be responsible for the appropriate delivery of resolutions of the general meeting, for disclosing them to the public (if applicable), and for filing and archiving of the materials of the general meeting.
43. The Board of Directors will keep the Company's Shareholders Register through an appropriate professional organization or will appoint a clearinghouse or trader for such responsibility.
44. The Board will have the authority to suspend the voting right of a shareholder in cases described in Article 8.6 of the Articles of Association.

V. Confidentiality obligations of members of the Board of Directors

45. Members of the Board of Directors shall keep all information related to the Company's business operations as strictly confidential.

In respect of the said obligation confidential information shall include any and all data and information, which the internal regulations of the Company so qualifies in respect of the employees, as well as any and all issues, data, information and Board of Directors resolutions, which can not or only partially be disclosed to the public by the Board of Directors' relevant decision.

VI. Conflict of interest

46. Members of MOL Board of Directors shall sign a declaration on conflict of interest in accordance with the form in Appendix 1. simultaneously assuming with their membership, and shall report any change in data in every calendar year 30 days prior to the date of the annual general meeting or, in case of change of data in their declaration on conflict of interest within 15 days following such change using the form presented in Appendix no. 2. of this Charter regarding the confirmation of or reporting the change in data in their declaration on conflict of interest.
47. The members of the Board of Directors may be also members of the Board of Directors in subsidiaries or affiliates of the Company pursuing activities identical to that of MOL.

Budapest, October, 2010.

Hernádi Zsolt
Chairman of the Board of Directors

Note: This document is published in Hungarian and in English while Hungarian is the governing language

Appendices:

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| Appendix no. 1.: | Declaration on conflict of interest |
| Appendix no. 2.: | Declaration on change of data in the declaration on conflict of Interest |

DECLARATION ON CONFLICT OF INTEREST

Undersigned, , as member of MOL's Board of Director hereby declare that myself, my companion or close relatives or an economic organizations in which myself and/or my companion or close relatives have significant-, majority- or qualified majority control influence or in which myself or my close relatives hold key management position have significant-, majority or dominant influence or hold key management position in the following economic organizations:

economic organization	influence	position

I hereby declare, that I have position in the following organisations qualified as other than economic organizations (e.g. foundation, chamber, etc.)

organization	position

I hereby declare, that there is no conflict of interest, particularly pursuant to the regulations enlisted hereunder in respect of my membership/position¹:

In addition, hereby I declare that I have reported my membership accepted in MOL Board of Directors to my employer or principal in accordance with my other senior managerial positions.

I also accept the obligation that if my employer/principal, companion, close relative, and/or the employer/principal of any of my close relatives or companion, and/or any economic organization in which myself, my companion or close relatives or an economic organizations in which myself and/or my companion or close relatives have significant-, majority- or qualified majority control influence or in which myself, my companion or my close relatives hold key management position enter into business transaction with MOL and/or any of its subsidiaries, I shall not participate, either directly or indirectly, in the said business transaction, and I will without any delay report such business transaction to MOL's Board of Directors, save transactions qualified as part of everyday life and concluded or implemented accordingly under standard market conditions, and I shall not participate in decisions by the Board of Directors related to such business transaction with MOL or MOL Group.

¹ Specifically but not exclusively Act IV. 2006 on business associations (Company Act), Act XL of 2008 on natural gas supply, Act XXII 1992 - Labour Code, Act LXV 1990 on municipalities, Act CXII. 1996 credit institutions and financial enterprises, Act LVII 1996 on prohibition of unfair market activities.

I also accept the obligation that in the event of any change may occur in the conditions of my declaration on conflict of interest I shall be obliged to report such change to the Board of Directors of MOL within 15 days, and if such change results in any conflict of interest, I shall make any and all actions required to eliminate such conflict of interest simultaneously with the report. I also accept the obligation that I will make a declaration in writing every calendar year 30 days following the annual general meeting as the latest reporting any change versus my previous declaration on conflict of interests.

Date

.....

Signed by

DECLARATION
reporting changes in data shown in the declaration on conflict of interests

Undersigned,, as member of MOL's Board of Director hereby declare that in compliance with my obligations assumed in the declaration on conflict of interests dd. hereby declare that *

- a) there has been no change
- b) the following changes have occurred:

versus data reported in the declaration on conflict of interests dated on the above day.

** Please underline as appropriate.*

In case of version b) please report the change(s) by specifying data in conformity with data reported in the declaration of conflict of interests:

Change(s) in respect of data of economic organizations:

economic organization	influence	position

Change(s) in data related to other organisations, not qualified as economic organizations (e.g. foundation, chamber, etc.) :

economic organization	position

Date

.....
Signed by

Definitions

Responsible manager – Based on par 21. Act IV. 2006 on business associations (Company Act) a director, senior manager, member of the supervisory board, or any other manager holding a controlling position in the business, planning and controlling activities of an economic organization.

Close relatives – Based on par. 685 b) of Law IV of 1959 on Civil Code close relatives are “spouses, next of kin, adopted persons, stepchildren, foster children, adoptive parents, stepparents, foster parents, brothers, and sisters;”

Companion – common law spouse/concubine. Based on par. 685/A of Law IV of 1959 on Civil Code companions are two unmarried persons living in the same household and being bonded emotionally and economically with each other without a formal marriage or registered companionship and non of them has existing marriage or registered companionship with an other person, and who are not next of kin or close relatives, or brother or sister with each other.”

Economic organization - economic organisations are state-owned companies, other state-owned economic agencies, cooperatives, housing cooperatives, business associations, Societas Europaea (SE), professional associations, European Economic Interest Group (EEIG), non-profit companies, companies of certain legal entities, subsidiaries, water management organisations, forest management associations, and private entrepreneurs having registered seat in Hungary or abroad. The provisions governing economic organisations shall be applied to the state, local governments, budgetary agencies, associations, public bodies, and foundations in connection with their economic activities, unless the law provides otherwise for such artificial persons”.

Significant influence - members (shareholders) hold a significant interest if they control, directly or indirectly, more than twenty-five per cent of the votes of the controlled company.

Majority interest control - members or shareholders hold, directly or indirectly, a majority interest control (hereinafter referred to as "dominant member") if they control more than fifty per cent of the votes of the controlled company

Qualified majority control - Based on paragraph 52 of the Law IV of 2006 on Business Organizations “members hold a qualified controlling interest if they control directly or indirectly at least three-quarters of the votes of the controlled company.”

Subsidiaries of MOL – Companies listed in its latest annual report

Transactions –

- Purchase or sale of finished and unfinished goods
 - Purchase or sale of property and other assets
 - Purchase or sale of shares or quotas
- Borrowings
- Rendering or receiving of services
- Agency arrangements
- Leasing and rental agreements
- Transfer of research and developments, licenses and usage rights
- Financing, except for normal dealing with financial institutions
- Providing and benefiting of guarantees and collaterals
- Management contracts

Purchase of products and services at market price from MOL in the course of the normal business are exceptions.