



**TAKARÉK MORTGAGE BANK CO. PLC.**

**EXTRAORDINARY GENERAL MEETING**

**BUDAPEST**

**30 MARCH 2021**

**NOTICE  
ON CONVENING AN EXTRAORDINARY GENERAL MEETING**

**Invitation for the shareholders of the Company**

**Takarék Mortgage Bank Co. Plc. (registered seat: H-1117 Budapest, Magyar Tudósok körútja 9. G. épület; company registration number: 01-10-043638; registered by Company Registry Court of the Budapest-Capital Regional Court; hereinafter: Company) would like to draw the Esteemed Shareholders' attention to the following:**

**As a result of the deteriorating epidemiological situation, the Government of Hungary repeatedly introduced a state of emergency in Government Decree 478/2020 (XI.3.) on the declaration of the state of emergency. During the state of emergency introduced as a result of the emergency situation – in accordance with the regulations of Section 3 (1) of Government Decree 502/2020. (XI.16.) concerning the repeated introduction of the special provisions related to the operation of partnerships and capital companies – the decision-making body of a legal person, including a college of delegates or a section meeting, may not be convened in a way requiring the physical presence of members.**

**According to Section 9(2) of the Government Decree, a public company limited by shares is required to publish on its website the invitation to the General Meeting, as well as any documents under Point *b*) of Paragraph (3) of Section 3:272 of the Civil Code, if on the date of entry into force of this regulation the invitation – or the documents under Point *b*) of Paragraph (3) of Section 3:272 of the Civil Code – have not been published, provided that the invitation must be published no later than 21 days prior to the General Meeting, and the documents under Point *b*) of Paragraph (3) of Section 3:272 of the Civil Code must be published no later than 8 days prior to the General meeting.**

**The management of the public company limited by shares is entitled to make decisions on all issues included in the published agenda – including the Amendment of the Articles of Association – as well as on the issues specified in Paragraph (1) of Section 5. The management's decision on the issues included in the published agenda may derogate from the proposed resolutions. The resolutions made by the Board of Directors within the scope of competence of the General Assembly must be published as defined by Section 3:279 of the Civil Code.**

**Pursuant to Section 9(7) of the Government Decree, within a 30-day forfeiture period after the termination of the state of emergency, shareholders holding at least 1% of the votes may request a convention of the General Assembly for the purpose of retroactively approving General Assembly resolutions – included in the agenda – made by the Board of Directors during the time of the state of emergency. A convention of the General Assembly may be initiated by shareholders present in the share register of the public company limited by shares based on ownership compliance requested to be performed and conducted in connection with the General assembly included in the originally published invitation, or in the invitation published in accordance with this regulation. The provisions applicable to the share register entry prior to the General Assembly are to be applied to the ownership compliance conducted under the invitation and the share register entry. The invitation to the convention of the General Assembly shall be published within the expiry of the forfeiture period of 45 days from the receipt of the shareholders' request.**

Fulfilling its statutory obligation, **Takarék Mortgage Bank Co. Plc.** notifies the shareholders and investors of the Company that on 8 March 2021, the Board of Directors of the Company made a decision on convening the meeting of the Board of Directors of the Company acting within the scope of competence of the General Assembly.

**The Board of Directors of the Company convenes its meeting  
acting within the competence of the General Assembly as set out below:**

**Date of the meeting:**

30 March 2021 (Tuesday), 10:00 a.m.

**Place of the meeting:**

the registered seat of the Company  
Infopark G. épület  
H-1117 Budapest, Magyar Tudósok körútja 9.

**Agenda of the meeting:**

1. Adopting the new Articles of Association of the Company
2. Approving the new rules of procedure of the Supervisory Board of the Company
3. Electing the member of the Audit Committee

**Publication of presentations and draft proposals for the General Meeting**

In accordance with the provisions of the Articles of Association relating to the publication of the announcements of the Company and the contents of Government Decree 502/2020 (XI.16.) concerning the repeated introduction of the special provisions related to the operation of partnerships and capital companies during the state of emergency, the Board of Directors of the Company will publish the summary of the presentations relating to the items on the agenda and the draft proposals on the Company's official website ([www.takarekjzb.hu](http://www.takarekjzb.hu)), the electronic announcement forum operated by the Central Bank of Hungary ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and the official website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)) at least 8 (eight) days prior to the General Assembly, in Hungarian and in English.

**Takarék Mortgage Bank Co. Plc.**



PROPOSAL  
RELATING TO ITEM 1 ON THE AGENDA



APPROVAL  
OF THE NEW STATUTES OF THE COMPANY

## **PROPOSAL**

### **Approval of the new Statutes of the Company**

Pursuant to Act V of 2013 on the Civil Code (“Civil Code”) and clause 12.3 a) of the Statutes, amendment of the Statutes (hereinafter “Statutes”) of TakaréK Mortgage Bank Co. Plc. hereinafter “Company”) falls within the exclusive competence of the General Meeting.

#### **I. Background**

By fulfilling its obligation to raise capital under the Investment and Syndicate Agreement signed on 30 October 2020 with the shareholders of MKB Bank Nyrt. and Budapest Bank Zrt., the holder of the 75.91% (voting rights of 99.99%) share package of MTB Magyar Takarékszövetkezeti Bank Zártkörűen Működő Részvénytársaság (hereinafter “MTB Zrt.”), the shareholder of the Company with a qualified majority, based on the prior consent of the Board of Directors of MTB Zrt. in its Decision No IG-W-195/2020, on 15 December 2020 Magyar TakaréK Befektetési és Vagyongazdálkodási Zártkörűen Működő Részvénytársaság transferred its 1,286,693 series “A” ordinary shares and 1 series “B” preference share issued by MTB Zrt. to the financial holding company Magyar Bankholding Zártkörűen Működő Részvénytársaság. (registered office: H-1122 Budapest, Pethényi köz 10.; company registration No: 01-10-140856) under the title of capital increase by way of contribution in kind. As of 15 December 2020, the shareholder of MTB Zrt. with a qualified majority is Magyar Bankholding Zártkörűen Működő Részvénytársaság. As a result, it also acquired indirect control in TakaréK Mortgage Bank Co. Plc. through MTB Zrt., as intermediary undertaking.

Takarék Mortgage Bank Co. Plc. is currently the credit institution member of the group of undertakings (“**Hungarian Bankholding Group**”) defined in Decision No H-EN-I-70/2021 of the National Bank of Hungary (“MNB”), dated 17 February 2021, concerning the undertakings of Magyar Bankholding Zrt., as parent company, subject to consolidated supervision. Based on Decision No H-EN-I-732/2020 of the MNB dated 30 December 2020, in accordance with Section 15/A of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (“Credit Institutions Act”) the Bankholding is deemed to be a Member State financial holding company responsible for compliance of the Hungarian Bankholding Group with requirements set out in the Credit Institutions Act and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 on a consolidated basis.

Bankholding, controlling the Hungarian Bankholding Group, has set the goal of consolidating the statutes of the credit institution members of the Group within a set framework, within the framework of exercising and fulfilling its group management rights and obligations and to ensure the effective implementation of the above in practice, to the extent possible.

According to the main principle of planned consolidation, the statutes of subsidiaries belonging to the Group should be uniform to the extent possible, within the framework permitted by law, thereby supporting the efficient operation of the Group.

To achieve the above goal, the Board of Directors of TakaréK Mortgage Bank Co. Plc. proposes approval of the new Statutes of the Company, as follows:

Having regard to the high number of amendments and the modified original structure of the Statutes, the Board of Directors of the Company proposes approval of new Statutes.

The key changes of the new Statutes are summarised below:

1. For simplification purposes, the new Statutes do not include any provisions regulated by legal regulations (Civil Code, Co-operative Banks Act), save for a few exceptions.
2. Under the new Statutes the election of the chairperson of the Board of Directors and Supervisory Board, and members of the Audit Committee falls within the competence of the General Meeting;
3. Under the Statutes, the decision on filling the post of chief executive officer heading the Company's work organisation, managing its operations (including, in particular, establishment and termination of the employment of the CEO), and on granting authorisation for implementing the above decisions falls within the competence of the General Meeting.
4. Under the new Statutes, approval of the rules of procedure of the Board of Directors no longer falls within the competence of the General Meeting. In the future only the rules of procedure of the Supervisory Board require approval by the General Meeting.
5. The new Statutes set out the obligation of the General Meeting under Act LXVII of 2019 under its authority: "advisory vote on remuneration policy ("SEA Remuneration Policy") subject to Act LXVII of 2019 on Encouraging Long-term Shareholder Engagement and Amending Certain Legal Harmonisation Acts ("Shareholder Engagement Act"), and if applicable by law, on the remuneration report ("SEA Remuneration Report"). The SEA Remuneration Policy shall be included on the General Meeting agenda upon major changes thereto, but at least every four years";
6. The duties of the Board of Directors are supplemented in relation to the membership of the Bankholding Group in the Company. In the course of performing all of its duties, the Board of Directors shall:
  - take into account and implement where necessary decisions adopted by Bankholding in the course of the Bankholding Group Management Activity (including, inter alia, decisions of Bankholding taken in relation to transactions and undertakings in excess of the threshold determined in group policies);
  - carry out tasks allocated to the Board of Directors by Bankholding within the framework of the Bankholding Group Management Activity;
  - provide to Bankholding all information necessary for drawing up the Bankholding Group Management Activity in accordance with Section 172(5) of the Credit Institutions Act in an efficient manner, in accordance with rules defined by Bankholding; and
  - cooperate with other members of the Hungarian Bankholding Group in relation to the above, in accordance with the decisions of Bankholding.
7. The authority of the Supervisory Board has been extended with approval of the rules of procedure of the Audit Committee.
8. Among provisions relating to the Board of Directors and Supervisory Board, provisions regulated by the rules of procedure of such bodies have been revoked.

The above changes are consistent with the modified shareholder strategy, in relation to which the Integration Organisation is also expected to amend its model statutes by the decision of the General Meeting.

The Supervisory Board agrees with the proposal of the Board of Directors.

**PROPOSED RESOLUTION 1**  
**relating to item No 1 on the agenda**

**Acting by authority of the General Meeting, the Board of Directors of the Company approves the new Statutes of the Company with contents attached to the General Meeting proposal. The new Statutes shall take effect on 1 April 2021. If the Company receives the licence of the National Bank of Hungary necessary for the entry into force of the new Statutes after such date, the new Statutes shall take effect on the date of receipt of the National Bank of Hungary's licence.**



**STATUTES OF**  
**TAKARÉK MORTGAGE BANK CO.PLC.**

**[\*] 2021**



## Preamble

Takarék Mortgage Bank Co.Plc. (hereinafter “**Company**”) is the specialised credit institution member of the group of undertakings (“**Hungarian Bankholding Group**”) defined in Decision No H-EN-I-70/2021 of the National Bank of Hungary (“**MNB**”), dated 17 February 2021, concerning the undertakings of Magyar Bankholding Zrt. (registered office: H-1122 Budapest, Pethényi köz 10.; company registration number: Cg.01-10-140865; ”**Bankholding**”), as a parent company, subject to consolidated supervision. Based on Decision No H-EN-I-732/2020 of the MNB dated 30 December 2020, in accordance with Section 15/A of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (“**Credit Institutions Act**”) the Bankholding is deemed to be a Member State financial holding company responsible for compliance of the Hungarian Bankholding Group with requirements set out in the Credit Institutions Act and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 on a consolidated basis.

In addition, as a member of the Central Organisation of Integrated Credit Institutions (“**Integration Organisation**”), the Company pursues activity in accordance with provisions of its operating licence, as a credit institution defined in Act CXXXV of 2013 on the Integration of Co-operative Banks and Amending Certain Legislation Concerning the Economy (“**Co-operative Banks Act**”).

### 1. COMPANY NAME, SCOPE OF ACTIVITY, REGISTERED OFFICE, DURATION

1.1 Name of Company: Takarék Jelzálogbank Nyilvánosan Működő Részvénytársaság, abbreviated name: Takarék Jelzálogbank Nyrt.

English name: Takarék Mortgage Bank Co. Plc

1.2 Type of Company:

1.2.1 Among financial institutions the Company is a mortgage lender, as a specialised credit institution.

1.3 Scope of activity

1.3.1 Main activity according to the Statistical Classification of Economic Activities (TEÁOR’08)

64.92’08 Other credit granting

1.3.2 Additional activities

6499’08 Other financial service activities n.e.c.

6619’08 Other activities auxiliary to financial services

1.3.3 Based on licence No 345/1998 of the supervisory authority, the Company has the right to engage in only the following activities subject to Section 3 of Act XXX of 1997 on Mortgage Lenders and Mortgage Bonds on a commercial basis:

(a) acceptance of repayable funds from the public, not including deposit collection,

(b) lending of money subject to collateral secured with real property located in the territory of Hungary or a member state of the EEA,

- (c) provision of mortgage-free loans subject to a joint and several guarantee,
- (d) undertaking of guarantees and bank guarantees, and other bank undertakings,
- (e) commercial activity relating to interest rate swap, and currency swap transactions serving as collateral for the exchange rate risk of foreign exchange funds.

1.4 Registered office: H-1117 Budapest, Magyar Tudósok körútja 9. G. épület

The Company may establish branch offices (establishments and branches) and foreign bank representations.

1.4.1 Establishments:

H-1117 Budapest	Magyar Tudósok körútja 9. G. ép.
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1.5 Duration: The Company has been established for an indefinite term.

## 2. SHARE CAPITAL AND SHARES

2.1 Share capital

2.1.1 The share capital of the Company equals HUF 10,849,030,000 (ten billion eight hundred and forty-nine million thirty thousand forints), consisting entirely of consideration in cash.

2.1.2 The share capital of the Company consists of 80,163,440 (eighty thousand one hundred and sixty-three thousand four hundred and forty) shares with a nominal value of HUF 100 (one hundred forints) each, and 2,832,686 (two million eight hundred and thirty-two thousand six hundred and eighty-six) shares with a nominal value of HUF 1,000 (one thousand forints) each.

2.1.3 Distribution of share capital based on types of share:

- (a) 66,000,010 (sixty-six million ten) series “A” ordinary shares with a nominal value of HUF 100 (one hundred forints) per share, of a total nominal value of HUF 6,600,001,000 (six billion six hundred million one thousand forints),
- (b) 14,163,430 (fourteen million one hundred and sixty-three thousand four hundred and thirty) series “B” preference (preference dividend) shares with a nominal value of HUF 100 (one hundred forints) per share, of a total nominal value of HUF 1,416,343,000 (one billion four hundred and sixteen million three hundred and forty-three thousand forints) and an issued value of HUF 10,155,179,310 (ten billion one hundred and fifty-five million one hundred and seventy-nine thousand three hundred and ten forints), and
- (c) 2,832,686 (two million eight hundred and thirty-two thousand six hundred and eighty-six) series “C” ordinary shares with a nominal

value of HUF 1.000 (one hundred forints) per share, of a total nominal value of HUF 2,832,686,000 (two billion eight hundred and thirty-two million six hundred and eighty-six thousand forints) and an issued value of HUF 20,310,358,620 (twenty billion three hundred and ten million three hundred and fifty-eight thousand six hundred and twenty forints).

2.1.4 The shares of the Company are issued as dematerialised securities in compliance with legislation relating to securities.

## 2.2 Share register

2.2.1 The Board of Directors manages a share register on shares of the Company with content defined in Section 3:245 of Act V of 2013 on the Civil Code (“**Civil Code**”) and Section 136 of the Credit Institutions Act. The Board of Directors may engage others to manage the share register. The fact of such engagement and data on the engaged person shall be published. The shareholder may exercise shareholder rights after registration in the share register. It should be possible to determine data deleted from the share register.

2.2.2 For the General Meeting and company events involving payments the Company shall request shareholder compliance from KELER Zrt. In relation to shareholder compliance, the registrar of the share register shall delete all data in the share register in effect at the time of shareholder compliance and simultaneously register therein data in conformity with the result of shareholder compliance. The general rules of procedure of KELER Zrt. in force are applicable to the rules of shareholder compliance.

## 2.3 Transfer of shares

2.3.1 The transfer of Company shares shall take effect upon registration of the new shareholder or of the nominee shareholder regulated in Sections 151–155 of Act CXX of 2001 on the Capital Market (“**Capital Market Act**”) in the share register. If the acquisition of a shareholding in the Company is bound to official authorisation, the nominee shareholder may only be registered with the shareholder in the share register.

## 3. BODIES AND THEIR OPERATION

### 3.1 General Meeting

3.1.1 The supreme body of the Company is the General Meeting.

The General Meeting shall be convened at least thirty (30) days before its starting date by invitation (notice) published in accordance with clause 8.

3.1.2 For the General Meeting as a company event, the Company shall request shareholder compliance from KELER Zrt. The date (reporting date) of shareholder compliance shall be between the 7<sup>th</sup> (seventh) and 5<sup>th</sup> (fifth) stock market trading days (including such days) prior to the General Meeting.

3.1.3 At 6.00 (six) p.m. Budapest time on the second business day prior to the General Meeting, the Company shall delete all data in the share register in effect at the time of shareholder compliance and simultaneously register therein data in conformity

with the result of shareholder compliance and close the same together with the data of shareholder compliance (“**General Meeting Closing of the Share Register**”). Thereafter, data relating to the shareholding of a shareholder may be registered in the share register on the business day following the General Meeting at the earliest.

- 3.1.4 The Company shall publish the following at least twenty-one (21) days before the General Meeting:
- (a) aggregate data relating to the number of shares and share of voting rights existing at the time of convening;
  - (b) proposals relating to items on the agenda, Supervisory Board reports and proposed resolutions relating to these;
  - (c) forms used for voting by way of a representative if these are not directly sent to shareholders.
- 3.1.5 Simultaneously with the publication of General Meeting materials, the Company shall send by electronic means the General Meeting invitation, and the proposals and proposed resolutions related thereto to the shareholders who have notified their such request in advance to the Company in writing. Notification of such request shall be valid indefinitely during the validity of shareholder status until withdrawn in writing. Company communication sent by e-mail shall be deemed received by the shareholder on the date of sending.
- 3.1.6 The business integration management organisation and the Integration Organisation shall be notified of the General Meeting concurrently with the publication of the invitation. The invitation, and proposals and related materials concerning the agendas, if any, shall be attached to such notification. Where necessary, management of the Integration Organisation may call on the Company to draw up written proposals relating to items on the agenda specified by the Integration Organisation, not including any proposals, within 5 days from notification. Representatives of the business integration management organisation and the Integration Organisation may attend the Company's General Meeting in an advisory capacity.
- 3.1.7 The General Meeting may also be held if not, or not regularly convened, and is attended by all shareholders who unanimously consent to the holding of the meeting. Resolutions adopted at an irregularly convened or held General Meeting, which are therefore invalid, shall become valid retroactively from the date of adoption if these are unanimously recognised as valid by all shareholders within thirty (30) days from the date of the General Meeting.
- 3.1.8 Adoption of resolutions on matters not listed on the agenda is permitted only in the presence of all eligible shareholders if they unanimously consented to the discussion of matters not included on the agenda.
- 3.1.9 The General Meeting has a quorum if shareholders representing more than half of votes incorporated by voting shares are in attendance. If the General Meeting lacks a quorum, a repeated General Meeting shall be convened on a date at least ten (10) days and not more than twenty-one (21) days after the original date concerning matters on the original agenda. The repeated General Meeting shall have a quorum irrespective of the number of attendees.

- 3.1.10 The General Meeting invitation shall include the following:
- (a) name and registered office of the Company;
  - (b) time and place of the General Meeting;
  - (c) agenda of the General Meeting;
  - (d) means of holding the General Meeting;
  - (e) conditions prescribed in the Statutes hereunder for exercising voting rights;
  - (f) if the General Meeting lacks a quorum, place and time of the repeated General Meeting;
  - (g) conditions for exercising rights relating to supplementing the agenda, and
  - (h) place for accessing the original and complete text of draft resolutions and documents to be submitted to the General Meeting.
- 3.1.11 The Board of Directors has the right to convene an extraordinary General Meeting if justified and when it deems it necessary. The Board of Directors shall convene the extraordinary General Meeting:
- (a) without delay, if the Supervisory Board has less than three (3) members,
  - (b) within eight (8) days, if requested in writing by shareholders holding at least one (1) per cent of voting rights – evidenced with share register data – with the indication of the reason and purpose, or
  - (c) within eight (8) days – subject to simultaneous notification of the Supervisory Board – for taking necessary measures, if it learns that the Company's shareholders' equity has decreased to two-thirds of share capital as a result of loss, or its shareholders' equity decreased below the minimum statutory amount of share capital, or the Company is facing insolvency or suspended payments, or the Company's assets do not cover its debts,
  - (d) within eight (8) days, if at least three (3) Board members propose convening of the General Meeting with disclosure of the agenda, or
  - (e) in other mandatory cases stipulated by law.
- 3.1.12 The chairperson of the General Meeting is the current chairperson of the Board of Directors, or a person appointed by him/her, unless he/she is unavailable because in such case it is a person elected by the General Meeting by a simple majority. An attendance sheet shall be drawn up on shareholders attending the General Meeting, which shall indicate the name and domicile, or the registered office of the shareholder or its representative, the number of its shares and votes, and any changes to the person of attending members during the General Meeting. The chairperson and registrar of the General Meeting shall certify the attendance sheet.

- 3.1.13 The chairperson of the General Meeting:
- (a) opens the General Meeting;
  - (b) determines a quorum;
  - (c) chairs the discussion, gives the floor to and cuts off speakers, may limit speaking times;
  - (d) orders breaks;
  - (e) adjourns the General Meeting.
- 3.1.14 Minutes shall be drawn up on the General Meeting, including:
- (a) name and registered office of the Company;
  - (b) means, place and time of the held General Meeting;
  - (c) name of the General Meeting's chairperson, registrar, certifier of the minutes and teller;
  - (d) key events and presented proposals of the General Meeting;
  - (e) proposed resolutions;
  - (f) the number of shares in relation to each resolution, in relation to which valid votes are cast, and the share in share capital represented by such votes,
  - (g) the number of votes cast in favour and against, and the number of abstentions.
- 3.1.15 The minutes shall be signed by the registrar and chairperson of the General Meeting and certified by an attending shareholder elected for such purpose. The Board of Directors of the Company shall retain and store the General Meeting minutes and the attendance sheet among its own documents, submit these to the court of registration within thirty days from the conclusion of the General Meeting. The Board of Directors of the General Meeting shall further publish General Meeting resolutions, description of the proposed resolutions, and General Meeting minutes containing any material matters and replies relating to the proposed resolutions within thirty (30) days from the General Meeting, in accordance with clause 8.
- 3.1.16 By replying to questions raised at the General Meeting, the Company ensures compliance and conformity with information and disclosure principles defined by legal and stock exchange requirements. The Company has five (5) business days available from the date of the General Meeting to answer questions raised at the General Meeting and not answered to the satisfaction of shareholders.
- 3.1.17 Matters referred to the exclusive authority of the General Meeting:
- (a) adoption and amendment of the Statutes, except for the case under clause 3.2.2(h);

- (b) a decision on the Company's conversion, merger, demerger without a successor;
- (c) a decision on raising share capital or the authorisation of the Board of Directors to raise share capital;
- (d) a decision on the preclusion or limitation of preferential subscription rights;
- (e) a decision on the decrease of share capital;
- (f) a decision on the issue of convertible bonds, bonds with subscription rights and converted bonds;
- (g) a decision on the acquisition or disposal of treasury shares;
- (h) election and dismissal of the chairperson and members of the Board of Directors, determination of their remuneration;
- (i) modification of the Company's main activity;
- (j) decision on filling the post of chief executive officer heading the Company's work organisation, managing its operations (including, in particular, establishment and termination of the employment of the CEO), and on granting authorisation for implementing the above decisions;
- (k) decision on modifying the operational form of the Company;
- (l) decision on modifying rights attached to shares, and conversion of types and classes of shares;
- (m) election and dismissal of the chairperson and members of the Supervisory Board, determination of their remuneration, and election, dismissal of members of the Audit Committee, determination of their remuneration;
- (n) approval of the rules of procedure of the Supervisory Board;
- (o) election, dismissal of the permanent auditor, determination of its remuneration;
- (p) evaluation of the work of executive officers performed in the previous financial year, a decision concerning the discharge from liability;
- (q) approval of the Company's statutory report and a decision on the use of after-tax profit;
- (r) a decision on the payment of an interim dividend;
- (s) a decision on enforcing claims against shareholders, Board members, Supervisory Board members or the permanent auditor;

- (t) a decision on approval of the report on responsible corporate governance;
- (u) advisory vote on remuneration policy (“**SEA Remuneration Policy**”) subject to Act LXVII of 2019 on Encouraging Long-term Shareholder Engagement and Amending Certain Legal Harmonisation Acts (“**Shareholder Engagement Act**”), and if applicable by law, on the remuneration report (“**SEA Remuneration Report**”). The SEA Remuneration Policy shall be included on the General Meeting agenda upon major changes thereto, but at least every four years;
- (v) a decision on the establishment or termination of the Company's membership in the Integration Organisation defined in the Co-operative Banks Act;
- (w) a decision on all matters referred to the supreme body's exclusive competence by law or under the Statutes.

3.1.18 Resolutions of the General Meeting are adopted by simple majority, except for matters requiring a majority vote of votes cast by law. If legislation prescribes a unanimous adoption of resolutions concerning any matter, the General Meeting shall adopt resolutions by unanimous decision on such matter.

3.1.19 A resolution of the General Meeting aimed at modifying the Company's form of operation from public to private may be adopted if at least a 3/4 majority of shareholders representing not more than 1% of each vote have consented to it in advance. As regards prior consent, in the notice containing the General Meeting invitation, the Board of Directors shall call on its shareholders concerned to state whether they grant such consent. The shareholders concerned shall state their position in writing, addressed to the Board of Directors and sent to the registered office of the Company by the deadline set in the notice, but set at least for the second day following the reporting date of shareholder compliance related to the General Meeting resolving the modification of the Company's operation from public to private. If a shareholder does not respond by the deadline specified in the notice, its consent is deemed to be given. More than one consent may not be given as valid in relation to one given share. The Board of Directors of the Company determines the scope of shares concerned on the basis of the data of shareholder compliance, related to the General Meeting resolving modification of the Company's form of operation from public to private.

3.1.20 The resolution of the General Meeting subject to clauses 3.1.17 c), e), l) may be adopted if the shareholders of all shares belonging to the type and series of shares concerned, attending the given General Meeting, also separately approve such resolution by a simple majority. A type or series of share is deemed to be affected if the resolution of the General Meeting directly and adversely modifies the shareholder right attached to the type of series of share, defined in the Statutes hereunder. In the above case, provisions relating to the possible limitation or preclusion of voting rights attached to the share are not applicable, not including the prohibition of exercising voting rights attached to treasury shares. Consent may be given before the General Meeting by a written decision, without holding of a meeting, or if shareholders of shares belonging to the series of shares concerned separately vote on this matter before the decision of the General Meeting.



- 3.1.21 Validity of the General Meeting resolution resolving the increase or decrease of share capital is conditional on shareholders of the types or class of shares deemed to be affected by such increase or decrease separately giving consent to the increase or decrease of share capital. Provisions of clause 3.1.20 are applicable to the granting of consent.
- 3.1.22 Approval and amendment of the Statutes is subject to prior approval by the Integration Organisation.
- 3.1.23 If a General Meeting decision requires the consent or approval of the Integration Organisation or business integration management organisation under the Co-operative Banks Act or the statutes of the Integration Organisation, the Company's management shall arrange for the procurement of the necessary approvals.
- 3.1.24 **Rights and obligations of shareholders**
- 3.1.24.1 Rights of shareholders relating to the General Meeting
- (a) Shareholders have the right to attend the General Meeting. A shareholder or a nominee shareholder defined in Sections 151–155 of the Capital Market Act may attend the General Meeting, who has been registered in the share register at the time of the General Meeting Closing of the Share Register, in accordance with the result of shareholder compliance.
- (b) Shareholders may also exercise rights related to the General Meeting by way of representatives. A member of the Board of Directors, Supervisory Board, the auditor, and the trustee may not be authorised. Shareholders may also authorise senior employees of the Company to exercise General Meeting related rights. The authorisation for representation is valid for one General Meeting or for the time determined in the authorisation, but for up to twelve (12) months. The validity of authorised representation shall extend to the resumption of adjourned General Meetings and General Meetings reconvened as a result of a lacking quorum. Authorisation shall be issued as a public instrument or private document of full probative force and submitted to the Company at the place and time specified in the General Meeting notice. The authorisation given by the nominee shareholder shall state that the representative acts in the capacity of the nominee shareholder.
- (c) Shareholders have a right to information concerning matters on the General Meeting's agenda. Accordingly, upon the shareholder's written request submitted at least eight days before the date of the General Meeting, the Board of Directors shall provide the information necessary for discussing the given item on the agenda of the General Meeting three days before the date of the same. The Board of Directors may bind the exercise of the above right to information to a written non-disclosure declaration issued by the shareholder requesting information. The Board of Directors may deny the provision of information and access to documents, if this would breach the Company's business, bank, securities, or other such secrets if the person requesting information abuses his/her right or fails to provide a non-disclosure declaration notwithstanding a notice. If the person requesting information considers the denial of information to be

unreasonable, he/she may request the court of registration to oblige the Company to provide such information.

- (d) The Company shall allow all shareholders attending the General Meeting to exercise the right to information, commenting, and motion, provided that exercise of such rights does not prevent the regular and proper operation of the General Meeting. To ensure the exercise of shareholder rights defined hereunder, the chairperson of the General Meeting shall give the floor to shareholders at the General Meeting, under the condition that the chairperson may limit speaking time, interrupt the speaker, in particular, upon deviation from the topic, and – when several persons are speaking simultaneously – determine the order of speeches to ensure the regular and proper operation of the General Meeting.
- (e) The share grants voting rights proportionate to its nominal value, i.e. at the General Meeting each series “A” ordinary share of a nominal value of HUF 100 (one hundred forints) grants one vote, and each series “C” ordinary share of a nominal value of HUF 1,000 (one thousand forints) grants ten votes. The shareholder may not exercise its voting right until providing its due consideration.

#### 3.1.24.2 Minority rights

- (a) Shareholders jointly representing at least 1% of voting rights may request the convening of the General Meeting at any time, with the indication of the reason and purpose. If the Board of Directors does not arrange for the convening of the General Meeting on the earliest date possible within eight days from receipt of such request, the meeting shall be convened by the court of registration upon request of the initiating shareholders, or the court of registration shall authorise the initiating shareholders to convene the meeting. The initiating shareholders shall advance the anticipated costs.
- (b) If shareholders jointly representing at least 1% of votes notify the Board of Directors of the proposal – in conformity with rules relating to details of the agenda – relating to the supplementation of the agenda, or draft resolution relating to the item on or to be included on the agenda within eight days from publication of the notice on convening the General Meeting, the Board of Directors shall publish a notice on the supplemented agenda, the draft resolutions proposed by the shareholders after receiving notification of the proposal, in accordance with clause 8. Matters specified in the notice shall be deemed to be on the agenda.
- (c) If the General Meeting dismissed or failed to submit to decision-making the proposal to enforce any claims of the Company against a member, executive officer, Supervisory Board member or the auditor, shareholders jointly representing at least 1% of voting rights may themselves enforce such claims on behalf of the Company within the thirty-day limitation period starting from the date of the General Meeting.

- (d) If the General Meeting dismissed or failed to submit to decision-making the proposal to have the last report or an economic event or undertaking relating to the activity of the Board of Directors in the last two years audited by an independently appointed auditor, upon the request of shareholders jointly representing at least 1% of voting rights submitted before the expiry of the thirty-day limitation period from the date of the General Meeting, the court of registration is required to order and appoint an auditor at the cost of the Company. The court of registration may deny the satisfaction of the request if the shareholders submitting the request abuse minority rights.

#### 3.1.24.3 Right to dividend

- (a) The shareholder is entitled to a dividend of distributable profits, ordered for distribution by the General Meeting, proportionate to the nominal value of its share.

#### 3.1.24.4 Obligations of shareholders

- (a) The shareholder shall make available to the Company consideration corresponding to the nominal value or issued value of shares it receives or subscribes. The shareholder may not be validly relieved of such obligation except in the case of a reduction of share capital.
- (b) The shareholder holding or acquiring a share of at least 5% shall notify the Company of its indirectly held ownership and any changes therein, together with data enabling identification. The MNB shall suspend the voting rights of a member failing to meet the notification obligation until it is met.

#### 3.1.24.5 The holder of series “B” dividend preference shares is due shareholder rights subject to the following derogation:

- (a) Right to the dividend: of after-tax profit distributable among shareholders, the holder of series “B” dividend preference shares has a right to dividend 10% higher than dividend due for series “A” ordinary shares, provided that if the holder of dividend preference shares is not entitled to a dividend in a given financial year, lost dividend from profits of previous years may not be supplemented;
- (b) Voting rights: the holder of series “B” dividend preference shares is not entitled to voting rights hence it may not vote at the General Meeting. If, however, the Company does not pay dividends in a financial year, holders of dividend preference shares are due voting rights equivalent to voting rights attached to series “A” ordinary shares, which they may exercise without limitation until approval of the annual report relating to the next financial year.
- (c) The holder of series “C” ordinary shares is due shareholder rights subject to the following derogation:
- (d) Voting rights: the holder of series “C” ordinary shares is due voting rights equivalent to voting rights attached to series “A” ordinary shares,

i.e. one series “C” ordinary share of a nominal value of HUF 1,000 (one thousand forints) grants ten votes.

## 3.2 Board of Directors

3.2.1 The Board of Directors is the management body of the Company. Members of the Board of Directors represent the Company before third parties, courts, and other authorities, except if the Company is represented by a Supervisory Board member appointed by the Supervisory Board or a trustee appointed by a court, because the Company or one or more of its executive officers requested the judicial review of a single shareholders’ resolution, therefore the Company has no executive officer to represent the Company. The Board of Directors determines and manages the work organisation of the public limited company, exercising employer’s rights over managing directors (CEO and his/her deputies) defined in the Credit Institutions Act, in accordance with Section 150 of the Credit Institutions Act, in consideration of clause 3.1.173.1.17(j), in observance of the provisions thereof.

3.2.2 Duties falling under the exclusive competence of the Board of Directors:

- (a) drafting of opinions and proposals on matters included on the agenda of the General Meeting, submission of these to the Supervisory Board, and to the General Meeting together with the opinion of the Supervisory Board;
- (b) procurement of the statutory report of the Company and the proposal on the use of after-tax profit, their submission together with the auditor’s opinion to the Supervisory Board, then to the annual ordinary General Meeting together with the report of the Board of Directors and Supervisory Board, and the report on the Company’s business policy;
- (c) conclusion of the audit contract with the permanent auditor, under the terms and conditions set by the General Meeting;
- (d) management of the Company’s share register;
- (e) drawing up, approval of the Company’s business policy, strategy and business plan;
- (f) drafting of the contract for services concluded with the trustee;
- (g) approval of policies on collateral registration, determination of the loan collateral value;
- (h) modification of the Company’s registered office, establishments and branches, of its scope of activity, except for its main activity, and amendment of the Statutes in relation thereto;
- (i) to ensure compliance of the Hungarian Bankholding Group with requirements set out in the Credit Institutions Act and Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 on a consolidated basis, it is necessary to implement decisions adopted by Bankholding (“**Bankholding Group Management Activity**”), including in particular implementation,

where necessary, of group-level policies issued in the course of the Bankholding Group Management Activity;

- (j) approval of the Company's Rules of Organisation and Procedure, and of any internal policies the approval of which is referred by law to the competence of the Board of Directors;
- (k) approval of the Board of Directors' rules of procedure;
- (l) granting of joint representation right to employees of the Company;
- (m) submission to the General Meeting of the proposal of the Supervisory Board on the person of the Company's permanent auditor;
- (n) within the scope defined by applicable laws, the decision on the extension of internal credit provided that if such internal credit is not deemed to be non-retail credit, the resolution is subject to prior approval by the Supervisory Board;
- (o) subject to prior approval by the Board of Directors of the Bankholding, the decision on the borrowing of loans with a maturity of over five (5) years, the amount of which exceeds ten per cent (10%) of the Company's solvency margin, and on approval of the bond issuing programme;
- (p) pursuant to provisions of the Credit Institutions Act and other relevant legislation, in cases falling within the competence of the Board of Directors, the decision on the matter of prior consent to the conclusion of a sales contract between senior officers being members of the Board of Directors or Supervisory Board, or filling other managerial positions or a position at the Company or a financial institution subject to consolidated supervision, and the Company or the financial institution, or for the undertaking of other contractual obligations under Section 144(3),(4) of the Credit Institutions Act;
- (q) in cases not regulated by the policy referred to in clause 3.8.2, the decision of the Board member on acceptance of acquisition of shares – not including public limited companies – or of an appointment to an executive position of another economic operator;
- (r) the decision on approval of material transactions conducted with related parties in accordance with the Shareholder Engagement Act, except for transactions referred to in Section 24 of the Shareholder Engagement Act;
- (s) the decision on any matters concerning underwriting not referred to the competence of a different decision-making body or person by law, the Statutes hereunder, group policies issued within the framework of the Bankholding Group Management Activity, integrated policies issued by the Integration Organisation or the business integration management organisation, or the internal policies of the Company;
- (t) preliminary discussion of Supervisory Board proposals submitted to the General Meeting;

- (u) approval of costs and expenditures relating to the establishment, operation and cessation of the Employee Co-ownership Programme Organisation;
- (v) decision-making on all matters falling within the competence of the supreme body (general meeting, members' meeting, founder) of the Company's direct subsidiaries, including intervention through shareholder rights in relation to prudential problems within the scope of the Bankholding Group Management Activity,
- (w) the decision on the founding or termination of a legal entity with the Company's participation, and on the acquisition or disposal of the Company's share in a legal entity,
- (x) initiation of joining international organisations,
- (y) determination of measures and action plans necessitated by the findings of the MNB;
- (z) the decision on any matters referred from the CEO under the competence of the Board of Directors;
- (aa) the decision on any matters referred under the exclusive competence of the Board of Directors by law, the Statutes hereunder, group policies issued within the framework of the Bankholding Group Management Activity, integrated policies issued by the Integration Organisation or the business management organisation, or the internal policies of the Company.

3.2.3 The Board of Directors may not transfer its powers defined under authority transferred on the basis of the General Meeting's authorisation.

3.2.4 Pursuant to relevant legislation and Decision No H-EN-I-732/2020 of the MNB dated 30 December 2020, Bankholding, as a financial holding company, has the basic obligation of ensuring the prudential compliance of the Hungarian Bankholding Group on a consolidated basis. As an essential prerequisite for meeting Bankholding's above obligation, the Company, as a member of the Hungarian Bankholding Group, shall duly implement and apply the corporate governance (and other relevant) rules drawn up by Bankholding. Accordingly, in the course of exercising all of its powers defined under above clause 3.2.2, in accordance with relevant legislation, the Board of Directors shall

- (a) take into account to the extent possible and implement where necessary decisions adopted by Bankholding in the course of the Bankholding Group Management Activity [(including, *inter alia*, decisions of Bankholding taken in relation to transactions and undertakings in excess of the threshold determined in group policies)];
- (b) carry out tasks allocated to the Board of Directors by Bankholding within the framework of the Bankholding Group Management Activity;
- (c) provide to Bankholding all information necessary for drawing up the Bankholding Group Management Activity in accordance with Section

172(5) of the Credit Institutions Act in an efficient manner, in accordance with rules defined by Bankholding; and

- (d) cooperate with other members of the Hungarian Bankholding Group in relation to the above, in accordance with the decisions of Bankholding.

The Bankholding Group Management Activity may not diminish the responsibility of the Company's senior officers for compliance at an individual level, stipulated by the Credit Institutions Act.

- 3.2.5 Unless provided otherwise by law, the Board of Directors has a quorum if the majority of or at least three of its members are in attendance. Unless provided otherwise by law, it shall adopt resolutions by a simple majority.
- 3.2.6 The Board of Directors shall draw up a report on management, the Company's financial position and business policy at least once annually for the General Meeting and at least every three months for the Supervisory Board.
- 3.2.7 Board membership
  - 3.2.7.1 The Board of Directors consists of at least three (3) and up to nine (9) members. Members of the Board of Directors may only be natural persons and at least two members must be employed by the Company. Managing directors of the Company may be elected to the office of such internal Board members.
  - 3.2.7.2 Pursuant to foreign exchange legislation, at least two Board members must be residents, including persons with the right to free movement and stay, and must have had a permanent domestic domicile for at least one year.
  - 3.2.7.3 The General Meeting elects the members of the Board of Directors for a fixed period of up to five (5) years.
  - 3.2.7.4 Appendix 1 of the Statutes contains the names and data of the Board members. Appendix 1 of the Statutes may take effect independently if changes to such persons or their data do not entail the amendment of the Statutes.
  - 3.2.7.5 Board membership shall be terminated upon:
    - (a) expiry of the term of office;
    - (b) dismissal;
    - (c) resignation;
    - (d) termination of the internal Board member's employment;
    - (e) grounds for exclusion or conflict of interest regulated by law, or in other cases stipulated by law, and
    - (f) the death of the Board member.

- 3.2.7.6 The Board member may resign at any time. If necessitated for the proper functioning of the Company, the resignation shall take effect on the sixtieth (60<sup>th</sup>) day from notification thereof, at the latest. Until the resignation takes effect, the Board member shall take part in urgent decision-making and the implementation of urgent measures.
- 3.2.8 Chairperson of the Board of Directors
- 3.2.8.1 The chairperson of the Board organises the work of the Board, prepares Board meetings, ensures its efficient operation, and represents the company's Board before third parties. The chairperson of the Board has the right to independently convene a committee of inquiry.
- 3.2.9 Pursuant to Section 151(4) of the Credit Institutions Act, Board members may also put forward opinions and pass resolutions in writing without the holding of a meeting by means defined by the Board's rules of procedure on the basis of proposals sent using telecommunication equipment or by other such means. In such case, the Board member shall send his/her vote in a private document of full probative force to the registered office of the Company within five (5) business days from the proposal sent by the chairperson of the Board. Where justified the chairperson of the Board has the right to additionally extend the deadline by up to three (3) business days. Failure to meet the deadline shall be deemed as if the member had not attended the Board meeting.
- 3.2.10 Members of the Board, their relatives – subject to restrictions and permissions of legislation relating to credit institutions and investment providers – have the right to conduct transactions with the Company falling within the scope of the Company's main activity on their own behalf or to their benefit.
- 3.2.11 The chairperson of the Board may propose audit duties for the internal control organisation further to the annual plan to the head of the Supervisory Board or internal control organisation.
- 3.3 The Supervisory Board
- 3.3.1 The Supervisory Board supervises the Company's management to protect the interests of the Company. As part of supervising management, the Supervisory Board may request reports and information from Board members and senior employees of the Company. Such reports and information shall be sent to the chairperson of the Supervisory Board in writing within thirty (30) business days from receipt of the relevant written request.
- 3.3.2 The Supervisory Board may view the documents, accounting records and books of the Company, review the Company's payment accounts, cash on hand, stock of securities and goods, and contracts, or have these reviewed by experts.
- In the course of carrying out the activity, the Company shall grant access to the Supervisory Board to information relating to the Company's risks, risk monitoring functions and the opinions of external experts. If the Supervisory Board wishes to engage experts in its supervisory activity, the Board of Directors shall satisfy its relevant request.
- 3.3.3 The Supervisory Board has a quorum if two-thirds of members, but at least three members are in attendance. The Supervisory Board adopts resolutions by a majority vote of those in attendance.



- 3.3.4 The Supervisory Board may propose the convening of the Board of Directors and items to be included on the agenda.
- 3.3.5 If in the view of the Supervisory Board, the activity of the Board of Directors infringes the law or the Statutes, is incompatible with General Meeting resolutions or otherwise violates the interests of the Company, it may request the General Meeting to adopt the necessary resolutions.
- 3.3.6 The Supervisory Board has the right and obligation to perform the duties below, in particular:
- 3.3.6.1 The Supervisory Board
- (a) ensure that the Company operates a comprehensive control system suitable for a successful operation;
  - (b) review the Company's annual and interim financial reports, assess reports of the Board of Directors prepared every three months on management, the financial position and business policy of the Company;
  - (c) propose to the General Meeting the person and remuneration of the elected auditor;
  - (d) manage the internal control organisation;
  - (e) approve the annual audit plan of the internal control organisation unit, discuss the quarterly and other reports prepared by the internal control organisation, and verify the implementation of necessary measures;
  - (f) determine, if necessary, additional control duties for the internal control organisation, supplementing the annual plan;
  - (g) engage external experts, if necessary, to assist the work of the internal control organisation;
  - (h) propose changes to the staff size of the internal control organisation unit;
  - (i) draft recommendations and proposals based on guidelines of audits performed by the internal control organisation;
  - (j) review in advance General Meeting proposals;
  - (k) determine the annual work plan;
  - (l) exercise its authority relating to remuneration policy under Section 117(5) of the Credit Institutions Act;
  - (m) approve the rules of procedure of the Audit Committee;
  - (n) approve the rules of procedure of the Supervisory Board, and submit the same for approval by the General Meeting.
- 3.3.6.2 The General Meeting may decide on the statutory report – including the consolidated financial statements – and on use of after-tax profit only if in possession of the Supervisory Board's written report, and on the payment of interim dividend with the approval of the Supervisory Board.

- 3.3.6.3 Prior approval by the Supervisory Board is required for
- (a) adoption of decisions on the establishment of the employment of the head of the internal control organisation, the termination thereof by the employer;
  - (b) termination of the employment of the risk manager by notice, notice with immediate effect;
  - (c) adoption of the Board of Directors' resolution on approval of the interim balance sheet;
  - (d) the Board of Directors' resolution on non-retail internal credit.
- 3.3.6.4 The Supervisory Board reviews all regular and ad hoc reports drawn up or discussed by the Board of Directors, in relation to which the Board of Directors requests its opinion, including in particular reports prepared every three months on the Company's financial position and business policy, the quarterly risk reports, the quarterly and annual compliance report on the prevention of money laundering and the financing of terrorism and on compliance, and the internal control reports.
- 3.3.6.5 The Supervisory Board shall include on the agenda matters proposed by the auditor for discussion.

### 3.3.7 Supervisory Board membership

- 3.3.7.1 The Supervisory Board consists of at least three (3) and up to nine (9) members. Members of the Supervisory Board may only be natural persons.
- 3.3.7.2 The General Meeting elects the members of the Supervisory Board for a fixed period of up to five (5) years. One-third of the members of the Supervisory Board consists of employee representatives appointed by the works council, in consideration of the opinion of trade unions operating at the Company, whom the General Meeting is required to elect as members of the Supervisory Board unless nominees are subject to statutory grounds for exclusion. If no nomination is made, the place of employee delegates may not be filled.
- 3.3.7.3 Membership in the Supervisory Board – without the conclusion of a relevant agency contract – shall be established by signing the declaration of acceptance. Rules of the agency contract shall be appropriately applied to the legal relationship of Supervisory Board membership. Members may be re-elected and dismissed at any time, without justification by the General Meeting, in accordance with the provisions of the Statutes hereunder. The General Meeting shall dismiss employee delegates upon the proposal of the works council.

- 3.3.7.4 Appendix 1 of the Statutes contains the names and data of the Supervisory Board members. Appendix 1 of the Statutes may take effect independently if changes to such persons or their data do not entail the amendment of the Statutes.
- 3.3.7.5 Membership in the Supervisory Board shall be terminated upon:
- (a) expiry of the term of office;
  - (b) dismissal;
  - (c) issue of a statement on resignation addressed to the chairperson or member of the Board of Directors;
  - (d) grounds for exclusion or conflict of interest regulated by law, or in other cases stipulated by law;
  - (e) death of the member of the Supervisory Board.
- 3.3.7.6 Supervisory Board membership of the employee delegate shall also terminate upon termination of his/her employment.
- 3.3.7.7 Members of the Supervisory Board may resign at any time. If necessitated for the proper functioning of the Company, the resignation shall take effect upon the election of a new Supervisory Board member, otherwise on the sixtieth (60<sup>th</sup>) day from notification thereof, at the latest. Until the resignation takes effect, the Supervisory Board member shall take part in urgent decision-making and the implementation of urgent measures.
- 3.3.8 Chairperson of the Supervisory Board
- 3.3.8.1 The General Meeting shall decide on the person to be the chairperson of the Supervisory Board. The chairperson of the Supervisory Board shall organise the work, prepare the meetings of the Supervisory Board, ensure its efficient operation, and represent the Company's Supervisory Board before third parties.
- 3.3.9 Operation of the Supervisory Board
- 3.3.9.1 The Supervisory Board shall meet whenever necessary for smooth fulfilment of its duties. The Supervisory Board has a quorum only if two-thirds of members, but at least three members are in attendance at the meeting.
- 3.3.9.2 The meeting shall be convened and held in accordance with rules set out in the rules of procedure of the Supervisory Board.
- 3.3.9.3 Members of the Supervisory Board may also put forward opinions and pass resolutions in writing without holding a meeting by means defined by the Supervisory Board's rules of procedure on the basis of proposals sent by post or electronic mail, or by other such means. In such case, the Supervisory Board member shall send his/her vote in a private document of full probative force to the registered office of the

Company within five (5) business days from the proposal sent by the chairperson of the Supervisory Board. The chairperson of the Supervisory Board has the right to additionally extend the deadline by up to three (3) business days. Failure to meet the deadline shall be deemed as if the member had not attended the Supervisory Board meeting.

3.3.9.4 The rights and obligations of employee delegates are identical to those of other Supervisory Board members. If the single opinion of the employee delegates varies from the majority opinion of the Supervisory Board, the minority opinion of employee delegates shall be presented to the General Meeting.

### 3.4 Audit Committee

3.4.1 The Company operates a three (3) member Audit Committee. Members of the Audit Committee are elected by the General Meeting from among independent members of the Supervisory Board. At least one member of the Audit Committee shall hold accounting or auditing professional qualifications.

3.4.2 Appendix 1 of the Statutes contains the names and data of Audit Committee members. Appendix 1 of the Statutes may take effect independently if changes to such persons or their data do not entail the amendment of the Statutes.

3.4.3 Functions and authority of the Audit Committee:

- (a) review of the annual report;
- (b) proposal on the person and remuneration of the auditor;
- (c) drafting of the contract concluded with the auditor;
- (d) monitoring of the enforcement of professional and incompatibility requirements applicable to the auditor, performance of duties relating to cooperation with the auditor, and, where necessary, proposal of measures to be taken by the Supervisory Board;
- (e) evaluation of the operation of the financial reporting system and proposal for necessary measures;
- (f) assisting the Supervisory Board's work to ensure appropriate checks of the financial reporting system; and
- (g) performance of other duties falling within its competence by law.

### 3.5 Permanent auditor

3.5.1 The General Meeting shall elect an auditor for a term of up to two (2) years for carrying out the statutory audit.

3.5.2 Appendix 1 of the Statutes contains the name and data of the permanent auditor. Appendix 1 of the Statutes may take effect independently if changes to such persons or their data do not entail the amendment of the Statutes.

- 3.5.3 To perform its duties the permanent auditor may view the documents, accounting records and books of the Company, request information from members of the Board of Directors, Supervisory Board, and the Company's employees, review the Company's payment accounts, cash on hand, stock of securities and goods, and contracts. The permanent auditor may attend meetings of the Supervisory Board in an advisory capacity and is required to attend these if its hearing is requested by the Supervisory Board.
- 3.5.4 The General Meeting may not decide on the statutory report without knowledge of the opinion of the permanent auditor.
- 3.5.5 The appointment of the permanent auditor is deemed to be accepted if the permanent auditor concludes a contract for audit services within ninety days from its election. The duration of the appointment of the permanent auditor may not be shorter than the period starting with its election until the adoption of the General Meeting resolution approving the next statutory report.
- 3.5.6 If the Company elects an auditing company as permanent auditor, the permanent auditor shall appoint the person carrying out the audit in person. The appointed person may be substituted with assistant auditors in case of his/her unavailability. The appointed persons shall be approved by the General Meeting.
- 3.5.7 If the re-election of the Company's permanent auditor is not precluded by law, the auditing company may be re-elected. The auditor employed or engaged by the auditing company, and the person appointed to perform audits may carry out audit duties for the Company for up to five years.
- 3.5.8 Appointment of the permanent auditor shall be terminated upon:
- (a) dismissal;
  - (b) expiry of the term determined in the contract concluded with the auditor;
  - (c) termination of the contract by the auditor;
  - (d) grounds for exclusion stipulated by law.
- 3.6 Trustee
- 3.6.1 To ensure the lawful operation of the Company, verification and certification of the collateral registry of mortgage bonds issued by the Company on a continuous basis, within the scope determined by law, the Company's Board of Directors shall appoint a trustee. The validity of the trustee's appointment is subject to approval by the Supervisory Authority.
- 3.6.2 The trustee may be appointed for a fixed term of up to five years but might be re-appointed after the expiry of the appointment. Valid termination of the contract on trustee services between the Company and the trustee is subject to approval by the Supervisory Authority.
- 3.6.3 The Company may not instruct the trustee within the scope of trustee activity.

- 3.6.4 The trustee may at any time view the Company's books and other documents containing data necessary for the performance of its duties and may request information related to its duties. Irrespective of the above, the Company is required to continuously inform the trustee of principal and interest repayments of mortgage loans registered in the collateral registry, and of changes to the pledged property and additional collateral.
- 3.6.5 The trustee shall be invited to the Company's General Meeting in an advisory capacity.
- 3.7 Chief executive officer
- 3.7.1 The CEO is the chief managing director within the meaning of the Credit Institutions Act. The CEO and his/her deputy/deputies are elected by the General Meeting to be internal members of the Board of Directors. The CEO manages the work organisation of the Company. The CEO has the authority to decide any matters not falling within the exclusive competence of the General Meeting, Supervisory Board, internal control organisation, chairperson of the Board of Directors or Supervisory Board, and decision-making bodies or persons regulated by the rules of organisation and procedure of the Company.
- 3.7.2 The provisions of clause 3.2.4 are applicable to exercising all authority by the CEO.
- 3.7.3 Appendix 1 of the Statutes contains the name and data of the CEO. Appendix 1 of the Statutes may take effect independently if changes to such persons or their data do not entail the amendment of the Statutes.
- 3.7.4 The CEO may assign control duties for the internal control organisation in addition to those of the annual plan, subject to subsequent notification of the Supervisory Board.
- 3.7.5 The CEO directly exercises the employer's rights over the internal auditor in accordance with the Statutes.
- 3.7.6 The CEO has the right to delegate any employer's rights to employees of the Company in the internal policy approved by the Board of Directors.
- 3.8 Common rules applicable to executive officers
- 3.8.1 The executive officer of the Company may without limitation fill the post of executive officer in a legal person subject to supervision jointly with the Company on a consolidated basis, indirectly or directly acquire a stake in the same, if its economic activity, as a main activity, is identical to that of the Company. If the executive officer of the Company accepts a new appointment to the post of executive officer, he/she shall notify the Company of such fact within 15 (fifteen) days from acceptance of the appointment.
- 3.8.2 The group policy of Bankholding issued within the framework of the Bankholding Group Management Activity may derogate from provisions in Section 3:115 of the Civil Code.

#### **4. SIGNING FOR THE COMPANY, REPRESENTATION**

- 4.1 Written representation (signing for the company)

- 4.1.1 Persons with the right to sign for the Company:
- (a) any two Board members jointly;
  - (b) one Board member and one employee authorised to sign, jointly, or
  - (c) any two employees authorized to sign, jointly.

## 5. FINANCIAL YEAR, BALANCE SHEET AND DISTRIBUTION OF PROFIT

- 5.1 The financial year shall begin on 1 January and end on 31 December.
- 5.2 Pursuant to the Accounting Act in force, an annual report shall be prepared for each financial year.
- 5.3 Payment of dividend
- 5.3.1 The General Meeting shall decide on the payment of dividend, the date and means thereof. The dividend payment is based on the nominal value of shares.
- 5.3.2 For the payment of dividend, as a company event, the Company shall request shareholder compliance from KELER Zrt. The reporting date of shareholder compliance (“**Dividend Reporting Date**”) shall be the fifth (5<sup>th</sup>) stock market trading day prior to the initial date of dividend payment. The policy of KELER Zrt. in force sets out rules relating to shareholder compliance.
- 5.3.3 At least twenty (20) business days shall pass between the date of the General Meeting resolution on the payment of dividend and the initial date of dividend payment, provided that the payment of dividend shall begin within sixty (60) days from the relevant resolution of the General Meeting.
- 5.3.4 The Company shall pay dividends by transfer to shareholders from the date set in the relevant General Meeting resolution. At least ten (10) business days shall pass between the publication of the notice on the rules of dividend payment, also including the initial date of dividend payment and the amount of dividend, and the initial date of dividend payment.
- 5.3.5 A shareholder is entitled to dividends, if (i) it is registered in the share register based on the result of shareholder compliance requested for the Dividend Reporting Date, and (ii) its shareholding does not infringe provisions of relevant laws. Shareholders are entitled to dividends only in the proportion of consideration already provided.
- 5.3.6 As regards requests for payment of dividends received after the Dividend Reporting Date, the Company shall pay dividends, if (i) the securities account manager certifies that on the Dividend Reporting Date the shareholder held the number of shares specified in the request for dividend payment and declares that no dividend had been paid on such shares, and (ii) the notification of KELER Zrt. sent by the Dividend Reporting Date proves that the securities account manager has the right to issue the certificate in relation to the number of shares specified in the request for dividend payment.
- 5.3.7 The General Meeting may resolve payment of interim dividend in the period between the approval of two successive reports, if

- (a) on the basis of the interim balance sheet, it may be established that the Company has sufficient coverage for payment of dividends;
  - (b) payment does not exceed the amount of free retained earnings supplemented with after-tax profit stated in the interim balance sheet; and
  - (c) the adjusted shareholders' equity of the Company does not decrease below the amount of share capital as a result of the payment.
- 5.3.8 Payment of dividend may be resolved based on the proposal of the Board of Directors. The proposal of the Board of Directors is subject to approval by the Supervisory Board. If it is established from the annual report prepared after the payment of interim dividend that the payment of dividends is not possible, upon the request of the Company the shareholders shall repay interim dividend.
- 5.3.9 The request for the payment of dividend shall lapse five (5) years after the initial date of dividend payment. The unclaimed dividend shall be added to assets of the Company in excess of the share capital.
- 5.3.10 Pursuant to clause 9, the Company shall publish a notice on the initial date and rules of dividend payment.

## **6. PREFERENTIAL SUBSCRIPTION RIGHTS**

- 6.1 Upon increase of the Company's share capital for consideration, by way of the offering of new shares, the Company's shareholders, followed by in succession the holders of convertible bonds or bonds with subscription rights shall hold preferential rights to claiming the shares.
- 6.2 All shareholders of the Company are entitled to exercise the preferential right in a single rank, in proportion to their shareholding. Holders of convertible bonds and bonds with subscription rights are entitled to exercise the preferential right in a single rank after shareholders. If several shareholders entitled to preferential rights exercise such rights, where the total quantity of shares to be subscribed under their preferential rights exceeds the total number of shares (to be offered) with attached preferential rights, they are entitled to acquire among each other the number of shares with attached preferential rights in a proportion corresponding to their respective shares in the Company's share capital on the date of the resolution on the increase of capital.
- 6.3 The Board of Directors shall notify the shareholders of the Company in writing of the option and means of exercising preferential rights and as such of the nominal value and issued value of available shares, and of the initial and closing date of the minimum fifteen (15) day period available for exercising such rights, within eight (8) days from the date of the resolution of the General Meeting or Board of Directors resolving the increase of share capital by way of consideration in cash. During the above period, shareholders may state whether they wish to exercise preferential rights in a written statement sent to the Board of Directors. If a shareholder does not issue a statement by the above deadline, this shall be deemed as the given shareholder not intending to exercise its preferential right. The above preferential rights are also applicable as appropriate if the Company issues convertible bonds or bonds with subscription rights.



## **7. WINDING-UP OF THE COMPANY**

Provisions of the Co-operative Banks Act and the Credit Institutions Act are applicable to the winding-up of the Company without a successor. Upon winding-up of the Company without a successor, shareholders are entitled to assets remaining after the satisfaction of creditors.

## **8. DISCLOSURES, INFORMATION**

8.1 The mandatory disclosures of the Company under the Statutes hereunder and clause 8.2 are published by the Company on its website ([www.takarekjzb.hu](http://www.takarekjzb.hu)).

8.2 Information published on the Company's website is also published on the website operated by the MNB ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)), the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)) if required by law or the regulation of the Budapest Stock Exchange, and in the Official Journal of Companies ([www.cegkozlony.hu](http://www.cegkozlony.hu)), if necessary.

## **9. MISCELLANEOUS**

9.1 The chairpersons and members of the Board of Directors and Supervisory Board, bodies operated by the Company, and the auditor shall keep confidential any business secrets they access on the business of the Company indefinitely.

9.2 Provisions of the Co-operative Banks Act, Act XXX of 1997 on Mortgage Lenders and Mortgage Bonds, the Credit Institutions Act, Capital Market Act, Act CXXXVIII of 2007 on Investment Undertakings and Commodity Brokers, and on Rules Relating to the Their Activities, and the Civil Code are applicable to matters not regulated in the Statutes hereunder.

9.3 Joint and several liabilities

9.3.1 The Integration Organisation and members thereof, including the Company, shall assume joint and several liabilities for all obligations vis-à-vis each other, irrespective of the time they arise.

9.4 Disputes

9.4.1 The Company may bring an action in court against the decisions and instructions of the business integration management organisation subject to the Co-operative Banks Act also under rules concerning the judicial review of company decisions. Court action has no suspensory effect; the given decision or instruction is enforceable by the deadline set therein.

9.4.2 The Company may bring an action in court against instructions or decisions of the Integration Organisation taken, issued against it to establish whether such instructions or decisions are compliant with the law, other legal regulations, policies issued by the Integration Organisation, specific directives, and other integration regulations. Court action has no suspensory effect; the given decision or instruction is enforceable by the deadline set therein.

9.5 The consolidated Statutes hereunder include amendments set out in General Meeting Resolution No .../.../2021.

9.6 The Statutes shall take effect on ..... 2021.

\* \* \*

*The contents of the consolidated Statutes hereunder, as amended, correspond to the statutes of the Company in effect.*

*Drafted and countersigned in Budapest, on the ... day of the month of ..... 2021*

.....

.....  
*Registered legal counsel*  
*Chamber Identification No .....*

## 1. SZ. FÜGGELEK

### A. Board of Directors

#### A.1. member (chairperson):

name: VIDA József  
address: H-2060 Bicske, Magyar Sándor utca 3.  
term of appointment: 30.11.2016 – 30.11.2021

#### A.2. member:

name: Dr. NAGY Gyula László  
address: H-1147 Budapest, Ilosvai Selymes utca 91.  
term of appointment: 26.04.2017 – 30.11.2021

#### A.3. member:

name: MÉSZÁROS Attila  
address: H-2831 Tarján, Cserkész utca 2.  
term of appointment: 11.10.2018 – 30.11.2021

#### A.4. member:

name: HEGEDŰS Éva  
address: H-1037 Budapest, Testvérhegyi út 56-58.  
term of appointment: 18.10.2018 – 30.11.2021

#### A.5. member:

name: SASS Pál  
address: H-2151 Fót, Nagy László utca 2.  
term of appointment: 31.10.2019 – 30.11.2021

#### A.6. member:

name: SOLTÉSZ Gábor Gergő  
address: H-3300 Eger, Mikes Kelemen utca 9.  
term of appointment: 30.11.2016 – 30.11.2021

### B. Supervisory Board

#### B.1. member (chairperson):

name: Dr. HARMATH Zsolt  
address: H-2011 Budakalász, Gerinc utca 002507.  
term of appointment: 02.01.2017 – 02.01.2022

#### B.2. member:

name: Dr. KOVÁCS Mónika

address: H-1039 Budapest, Hollós Korvin Lajos utca 3. 7/65.  
term of appointment: 02.01.2017 – 02.01.2022

B.3. member:

name: Dr. REININGER Balázs  
address: H-1052 Budapest, Aranykéz utca 7. 3. em. 1.  
term of appointment: 02.01.2017 – 02.01.2022

B.4. member:

name: PÓRFY György Ede  
address: H-2151 Fót, Nyárfa utca 26.  
term of appointment: 02.01.2017 – 02.01.2022

B.5. member:

name: GÖRÖG Tibor  
address: H-6726 Szeged, Pipacs utca 9.  
term of appointment: 15.10.2018 – 02.01.2022

B.6. member:

name: Dr. GÖDÖR Éva Szilvia  
address: H-1068 Budapest, Benczúr utca 5. 2. em. 18.  
term of appointment: 01.08.2018 – 02.01.2022

B.7.

C. Audit Committee

C.1. member (chairperson):

name: Dr. HARMATH Zsolt  
address: H-2011 Budakalász, Gerinc utca 002507.  
term of appointment: 02.01.2017 – 02.01.2022

C.2. member:

name: GÖRÖG Tibor  
address: H-6726 Szeged, Pipacs utca 9.  
term of appointment: 15.10.2018 – 02.01.2022

C.3. member:

name: PÓRFY György Ede  
address: H-2151 Fót, Nyárfa utca 26.  
term of appointment: 02.01.2017 – 02.01.2022

D. Auditor

D.1. auditing company carrying out permanent audit:

name: Deloitte Könyvvizsgáló és Tanácsadó Kft.  
registered office: H-1068 Budapest, Dózsa György út 84/C.  
company registration number: 01-09-071057  
term of appointment: 01.06.2020 – 31.05.2021

D.2. name of natural person auditor responsible for carrying out the audit:

name: MOLNÁR Gábor  
address: H-1031 Budapest, Muzsla utca 8.

E. Chief executive officer:

name: Dr. NAGY Gyula László  
address: H-1147 Budapest, Ilosvai Selymes utca 91.  
term of appointment: 26.04.2017 – 30.11.2021

Effective:



PROPOSAL  
RELATING TO ITEM 2 ON THE AGENDA



**APPROVAL  
OF THE NEW RULES OF PROCEDURE  
OF THE SUPERVISORY BOARD  
OF THE COMPANY**

## PROPOSAL

### Approval of the new rules of procedure of the Company's Supervisory Board

Pursuant to Section 3:122(3) of Act V of 2013 on the Civil Code ("Civil Code") and clause 13.2 q) of the Statutes, amendment of the rules of procedure (hereinafter "Rules of Procedure") of the Supervisory Board of TakaréK Mortgage Bank Co. Plc. (hereinafter "Company") falls within the exclusive competence of the General Meeting.

#### I. Background

Takarék Mortgage Bank Co. Plc., as the credit institution member of the group of undertakings ("Hungarian Bankholding Group") managed by Magyar Bankholding Zrt., as parent company, proposes the amendment of its Statutes consistently with such new shareholder and management conditions, upon request of the group manager and by means consistent with its other banks, in accordance with uniform principles. For the purpose of such amendment to the Statutes, to ensure that the corporate governance duties of Hungarian Bankholding can be performed in a prudent manner, the management of the Company shall be reviewed, also resulting in the possible partial review of the operation of the Supervisory Board.

In line with the planned consolidation of the Statutes, all credit institution members of the Hungarian Bankholding Group, including the Supervisory Board of TakaréK Mortgage Bank Co. Plc., shall review their rules of procedure to also consolidate the rules of procedure of these supervisory bodies.

#### II. Proposal on approval of the new Rules of Procedure

According to the main principle for reviewing the Rules of Procedure, such Rules should ensure harmonisation of the rules of procedure of supervisory boards of Group subsidiaries with the provisions of the amended Statutes. To achieve this goal, the Supervisory Board of TakaréK Mortgage Bank Co. Plc. reviewed its rules of procedure in effect, and in consideration of the changed original structure of the Rules of Procedure, it did not partially adjust such Rules, but adopted new consolidated Rules of Procedure.

For establishing the new Rules of Procedure, the following material criteria were taking into account:

1. For the purpose of simplification, the new Rules of Procedure restate provisions of law or the Statutes only if essential for the completeness and transparency of regulation, otherwise they contain references.
2. The Rules of Procedure includes all amendments necessary for ensuring consistency with provisions of the new Statutes.
3. The Rules of Procedure include provisions related to special legal rules concerning integration with unchanged content, as substantive changes have not been made to these.

4. As regards general regulation under civil law and banking laws, a number provisions relating to the operation of the Supervisory Board, included in the rules of procedure in the past, are defined with unchanged content but in a new structure.

The Supervisory Board has approved its new Rules of Procedure by Resolution No 5/2021 (03.08.), which shall be approved by the Company's Board of Directors acting under authority of the General Meeting.

**PROPOSED RESOLUTION**  
**relating to item No 2 on the agenda**

**Acting under authority of the General Meeting, the Board of Directors of the Company approves the new Rules of Procedure of the Company's Supervisory Board with contents attached to the General Meeting proposal. The new Rules of Procedure shall take effect simultaneously with the effect of the new Statutes of the Company approved under item 1 on the agenda.**



## **RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF TAKARÉK MORTGAGE BANK CO. PLC.**

The Rules of Procedure (“**Rules of Procedure**”) hereunder of the Supervisory Board (“**Supervisory Board**”) of **Takarék Mortgage Bank Co. Plc.** (registered office: H-1117 Budapest, Magyar Tudósok körútja 9. G. ép.) (“**Company**”) were adopted by way of Supervisory Board Decision No 5/2021 (03.08.), approved by the supreme body of the Company by way of Resolution No \_\_\_/2021 (\_\_. \_\_.).

### **1. ORGANISATION OF THE SUPERVISORY BOARD**

- 1.1 The Supervisory Board supervises the Company's management to protect the interests of the Company. The authority, functions, rules of operation of the Supervisory Board are determined by Act V of 2013 on the Civil Code (“**Civil Code**”), Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (“**Credit Institutions Act**”), the statutes of the Company (“**Statutes**”) and relevant legislation. Under authority granted by the Civil Code and the Statutes, the Supervisory Board determines its own Rules of Procedure, subject to approval by the Company’s General Meeting (“**General Meeting**”).
- 1.2 The Supervisory Board consists of at least three (3) and up to nine (9) natural person members (“**Supervisory Board Member**”). The chairperson of the Supervisory Board (“**Chairperson**”) is elected by the supreme body of the Company. The Supervisory Board may elect a vice-chairperson (“**Vice-Chairperson**”) from among its members by a resolution passed by a simple majority of all members.
- 1.3 The General Meeting elects the members of the Supervisory Board for a fixed period of up to five (5) years. Members of the Supervisory Board may not be employed by the Company, except for persons acting as employee representatives.
- 1.4 If conditions for employee participation regulated by the Civil Code exist, one third of the members of the Supervisory Board consists of employee representatives appointed by the works council, in consideration of the opinion of trade unions operating at the Company. The General Meeting is required to elect employees nominated by the works council as members of the Supervisory Board unless nominees are subject to statutory grounds for exclusion. If no nomination is made, the place of employee delegates may not be filled. The rights and obligations of employee delegates are identical to those of other Supervisory Board members.
- 1.5 Membership in the Supervisory Board – without conclusion of a relevant agency contract – shall be established by signing of the declaration of acceptance. Rules of the agency contract shall be appropriately applicable to the legal relationship of Supervisory Board membership. Members may be re-elected and dismissed at any time, without justification by the General Meeting, in accordance with the provisions of the Statutes. If appointed, the General Meeting shall dismiss employee delegate(s) upon proposal of the works council.
- 1.6 Election of the members and chairperson of the Supervisory Board is subject to approval by the National Bank of Hungary. Supervisory Board Members are elected and dismissed in accordance with legal requirements and rules of the Statutes.

- 1.7 The Supervisory Board Member shall notify the Supervisory Board without delay if he/she is or will be subject to any grounds for exclusion, restriction or conflict of interest under the Civil Code or the Credit Institutions Act. To determine conflict of interest, Supervisory Board Members shall inform the Supervisory Board of all of their legal relationships resulting in conflict of interest. The person elected as Supervisory Board Member shall inform in writing business associations at which he/she is already member of a supervisory board within 15 (fifteen) days from acceptance of the appointment. If a person fills the position of executive officer or supervisory board member at another business association while being member of the Company's Supervisory Board, he/she shall notify the Chairperson of such fact within 15 (fifteen) days from acceptance of such appointment, even if the business association concerned is member of the Hungarian Bankholding Group. If the Chairperson determines a conflict of interest in relation to such positions, he/she shall call on the member concerned without delay to remedy it. If the member concerned fails to satisfy such request within 30 (thirty) days, the Chairperson shall notify the Board of Directors of this.
- 1.8 The independent members of the Supervisory Board shall inform the Board of Directors and the Supervisory Board if they are no longer deemed independent under Section 3:287 of the Civil Code.
- 1.9 Supervisory Board Members shall take part in the work of the Supervisory Board in person.
- 1.10 Membership in the Supervisory Board shall be terminated upon:
- a) expiry of the term of office;
  - b) dismissal;
  - c) issue of a statement on resignation addressed to the chairperson or member of the Board of Directors;
  - d) grounds for exclusion or conflict of interest regulated by law, or in other cases stipulated by law;
  - e) death of the member of the Supervisory Board.
- 1.11 Supervisory Board membership of the employee delegate shall also terminate upon termination of his/her employment.
- 1.12 The Supervisory Board Member may resign from office at any time by a statement issued to the chairperson or member of the Board of Directors. If necessitated for the proper functioning of the Company, particularly if as a result of resignation, the actual number of Supervisory Board Members would fall below 3 (three), the resignation shall take effect upon election of a new Supervisory Board Member, otherwise on the sixtieth (60<sup>th</sup>) day from notification thereof, at the latest. Until the resignation takes effect, the Supervisory Board Member shall take part in urgent decision-making and the implementation of urgent measures.

## **2. FUNCTIONS AND AUTHORITY OF THE SUPERVISORY BOARD**

- 2.1 To protect the interests of the Company, the Supervisory Board shall supervise the Company's activity, and may request information and data concerning the matters and operation of the Company. As part of supervising management, the Supervisory Board may request reports and information from Board members and senior employees of the Company. Such reports and information shall be sent to the chairperson of the Supervisory Board in writing within thirty

(30) business days from receipt of the relevant written request.

2.2 The Supervisory Board has the right to decide matters referred under its authority by the Civil Code, Credit Institutions Act or the Statutes.

### 3. MEETINGS, RESOLUTIONS OF THE SUPERVISORY BOARD

3.1 The Supervisory Board shall determine its own Rules of Procedure. The validity and effect of the Rules of Procedure is subject to approval by the General Meeting. The Supervisory Board shall forward its Rules of Procedure to the Integration Organisation within 15 days from their approval by the General Meeting; the former may request the amendment thereof if required by law. Within 15 days from receipt of such request of the Integration Organisation, the Supervisory Board shall amend its Rules of Procedure in conformity with contents included in the request, and submit the same to the General Meeting for approval.

3.2 Meetings of the Supervisory Board (“**Meeting**”) shall be convened and chaired by the Chairperson. The Supervisory Board shall meet whenever necessary for smooth fulfilment of its duties, but at least on a quarterly basis. Any Supervisory Board Member, the Board of Directors or the permanent auditor may request in writing the Chairperson to convene the Meeting, with indication of the reason and purpose. Within 8 (eight) days from receipt of such request, the Chairperson shall provide for convening of the Meeting, where the date thereof shall fall within the period of 30 (thirty) days from receipt. If the Chairperson fails duly satisfy such request, the requesting Supervisory Board Member may convene the Meeting.

3.3 The Meeting shall be convened in writing (by courier/post or e-mail). The Meeting shall be convened by sending of the invitation, where at least 8 (eight) days shall pass between the sending thereof and the held Meeting. The invitation shall indicate the place and time of the Meeting, and the scheduled agenda items. Documents relating to the agenda items shall be sent to the Supervisory Board Members by the Chairperson, or by the Supervisory Board Member convening the Meeting pursuant to clause 3.2, at least 5 (five) business days prior to the Meeting.

3.4 The Supervisory Board shall notify the Integration Organisation and MTB Zrt. (“**Business Integration Management Organisation**”) of its Meeting at least 5 (five) business days before the Meeting. The invitation shall indicate the agenda of the Meeting. Proposals relating to the agenda and related materials, if any, shall be attached to the invitation. Where necessary, the Integration Organisation may call on the Company to draw up written proposals relating to items on the agenda specified by the Integration Organisation within 3 (three) business days from notification. If the Integration Organisation or the Business Integration Management Organisation prepares a written opinion relating to the proposed resolution or the justification thereof, the Supervisory Board Members shall be informed thereon to ensure that they are aware of the opinion of the Integration Organisation or Business Integration Management Organisation when casting their vote.

3.5 Before the start of discussions, the Chairperson verifies the quorum of the Meeting. The Supervisory Board has a quorum if two thirds, but at least 3 (three) Supervisory Board Members attend the Meeting.

3.6 The Supervisory Board Member may also attend the Meeting by conference call or other means

communication; his/her such presence is deemed to be attendance in person and is entitled to vote. The Supervisory Board Member shall deliver his/her vote cast by conference call or other means of communication to the Supervisory Board, to the registered office of the Company within 5 (five) business days in a private document of full probative force. The Chairperson has the right to additionally extend the deadline by up to 3 (three) business days. Failure to meet the deadline shall be deemed as if the Supervisory Board Member had not attended the Supervisory Board Meeting. In the invitation the attention of Supervisory Board Members shall be drawn to the option of attending the Meeting by conference call or other means of communication, informing them of the technical details of attending the Meeting in such manner.

- 3.7 Resolutions may be passed only in relation to matters included on the agenda in the invitation sent to Supervisory Board Members. Failing the above, a resolution may be passed only in relation to matters to which all attending Supervisory Board Members consented to for discussion.
- 3.8 The adoption of the Supervisory Board resolution requires that the majority of Supervisory Board Members attending the Meeting vote in favour of it.
- 3.9 Each Supervisory Board Member may cast one vote. The Chairperson shall put each proposal relating to the individual agenda items to vote, and determine after each vote the level of approval or rejection of the proposed resolution, and the main reasons of rejection, if available. Resolutions are adopted by open ballot, but upon the request of any member, the Chairperson shall order a secret ballot. If employees attend the Meeting on a mandatory basis, the single opinion of the employee delegates varies from the majority opinion of the Supervisory Board, the minority opinion of employee delegates shall be presented to the General Meeting.
- 3.10 Minutes shall be drawn up on the Meeting by the registrar elected by the Supervisory Board Members in attendance. The minutes of the Meeting shall be drawn up in writing, which shall include its place and time, names of attendees, items on the agenda, adopted resolutions, possible minority or separate opinions, possible objections to decisions, and the opinion of persons voting against, voiced proposals and comments, and the opinion of the Integration Organisation and Business Integration Management Organisation. The Supervisory Board Member may request that his/her opinion be recorded word-for-word in the minutes.
- 3.11 The minutes shall be signed by
  - 3.11.1 the Chairperson, the Vice-Chairperson in the event of his/her unavailability, otherwise by the Supervisory Board Member designated by the Chairperson to substitute him/her;
  - 3.11.2 the registrar; and
  - 3.11.3 two Supervisory Board Members attending the Meeting (if the registrar is a Supervisory Board Member, one other member).
- 3.12 In addition to the Supervisory Board Members, the Meeting may be attended by representatives of the Integration Organisation and Business Integration Management Organisation, the CEO and deputy-CEOs of the Company, and persons invited by the Chairperson in the capacity of

expert or for other reasons in an advisory capacity. The auditor of the Company may also attend the Meeting in an advisory capacity. The Supervisory Board shall include on the agenda matters proposed by the permanent auditor for discussion.

- 3.13 Resolutions of the Supervisory Board may also adopted without holding a Meeting (“**Written Adoption of Resolutions**”).
- 3.14 The Chairperson, the Vice-Chairperson in the event of his/her unavailability, otherwise by the member designated by the Chairperson to substitute him/her, decides on the Written Adoption of Resolutions. For Written Adoption of Resolutions, the person requesting the Written Adoption of Resolutions shall draft the proposed resolutions and the text of the reasoning, and send these together with the voting slips by post or electronic mail to the Supervisory Board Members, and the Integration Organisation and Business Integration Management Organisation. If the Integration Organisation or the Business Integration Management Organisation prepares a written opinion relating to the proposed resolution or the justification thereof, it shall be delivered to the Supervisory Board Members with short notice to ensure that they are aware of the opinion of the Integration Organisation or Business Integration Management Organisation when casting their vote.
- 3.15 For the Written Adoption of Resolutions, provisions relating to the quorum and voting are applicable, except that the resolution procedure is successful if at least as many votes are sent to the Chairperson as many Supervisory Board Members with voting rights would be required to attend the Meeting for a quorum.
- 3.16 The voting deadline is 5 (five) business days from receipt of the proposed resolutions, by which time the Supervisory Board Member shall deliver his/her vote in the form of a private document of full probative force to the Supervisory Board at the registered office of the Company. The Chairperson has the right to additionally extend the deadline by up to 3 (three) business days. Failure to meet the deadline shall be deemed as if the Supervisory Board member had not attended the Supervisory Board meeting.
- 3.17 Within 3 (three) days from the deadline – or within 3 (three) days from the date of receipt of the last vote, if all votes are received before the deadline – the Chairperson shall determine the result of the vote, and notify Supervisory Board Members of the result in the minutes drawn up on the result of the vote within an additional 3 (three) days. The date of the resolution is the last day of the voting deadline, or if all votes are received earlier, the day when the last vote is received. The Chairperson shall send the minutes to the Integration Organisation and Business Integration Management Organisation within 15 (fifteen) days from receipt of the last vote.

#### **4. OPERATION OF THE SUPERVISORY BOARD**

- 4.1 The Supervisory Board shall exercise its rights and perform duties as a body, but the Supervisory Board may also appoint independently acting Supervisory Board Members by way of its resolution in relation to individual case groups, subject to regular notification of the Supervisory Board. The division of certain supervisory duties is without prejudice to the responsibility of Supervisory Board Members, or to their right to extend supervision to other activity falling within the scope of the Supervisory Board’s supervisory functions. Supervisory Board Members also have the right to independently exercise rights referred to in clauses 2.1–

2.2.

- 4.2 If the Chairperson is unavailable, he/she may be substituted by the Vice-Chairperson, otherwise or in case of his/her unavailability a member appointed by the Chairperson, otherwise any Supervisory Board Member to perform his/her duties defined by law and the Rules of Procedure hereunder.
- 4.3 Within ten (10) days from the Meeting, the Chairperson shall send to the National Bank of Hungary minutes, proposals and reports relating to agenda items discussed by the Supervisory Board, which concern a serious breach of the financial institution's internal policies or serious irregularities in management.

## **5. RIGHTS AND OBLIGATIONS OF THE SUPERVISORY BOARD MEMBERS**

- 5.1 Supervisory Board Members are independent of the Company's Board of Directors, they may not be instructed.
- 5.2 In the course of carrying out supervisory activity, the Supervisory Board Members shall be liable to the Company for damages in accordance with rules of contractual liability. Supervisory Board Members assume joint and several liability. If damage is attributable to the Supervisory Board's resolution, the Supervisory Board Member not involved in or voting against the decision shall be exempted from liability.
- 5.3 Supervisory Board Members shall keep confidential any information they obtain in relation to the Company in the course of carrying out their activity as a business secret (and as any other secret defined by law).
- 5.4 The Supervisory Board Member shall comply with legal requirements relating to the prohibition of insider trading, may not use or disclose or make accessible to unauthorised persons information he/she obtains while being in office, relating to the operation and customers of the Company. The Supervisory Board Member shall comply with requirements set out in separate policies on the prohibition of insider trading and notification related thereto.
- 5.5 The Supervisory Board Member shall notify the National Bank of Hungary without delay, if
- 5.5.1 he/she is elected a member of the board of directors, supervisory board, managing director or executive officer of a financial institution operating as a branch, or his/her appointment to such post is terminated;
  - 5.5.2 he/she acquires a qualifying holding in an undertaking, or such holding ceases;
  - 5.5.3 criminal proceedings under Section 137(6) of the Credit Institutions Act are launched against him/her;
  - 5.5.4 there is a risk that the Company is unable to meet its obligations arising from financial, auxiliary financial services, or comply with requirements of the Credit Institutions Act, legal regulations enacted under authority of such act, other legislation relating to its activity, and foreign exchange related legislation;

- 5.5.5 the Company is unable to meet its payment obligations; or
  - 5.5.6 there is cause for the revocation of the Company's establishment or activity licence under the Credit Institutions Act.
- 5.6 Supervisory Board Members have the right and obligation to
- 5.6.1 take part in the work of the Supervisory Board and to actively promote in person its successful operation;
  - 5.6.2 attend the Meetings of the Supervisory Board, put forward proposals and comments on matters on the agenda, and if they disagree with any proposal or a part thereof, and maintain their disapproval after the debate, to request that it be recorded in the minutes of the Meeting.
- 5.7 Supervisory Board Members are entitled to remuneration determined by the General Meeting.

**6. MISCELLANEOUS**

- 6.1 The Rules of Procedure hereunder shall take effect upon their approval by the General Meeting, after approval by the Supervisory Board.
- 6.2 Provisions of the Civil Code, Credit Institutions Act, other legislation and the Statutes shall apply to matters not regulated hereunder.

Budapest, ..... 2021

\_\_\_\_\_  
Chairperson of the Supervisory Board



PROPOSAL  
RELATING TO ITEM 3 ON THE AGENDA



**ELECTION OF A NEW MEMBER OF THE AUDIT COMMITTEE**



**PROPOSAL**  
**Election of a new member of the Audit Committee**

Pursuant to clause 16.1. of the Statutes, election of a new member of the Audit Committee under the rules of procedure (hereinafter “Rules of Procedure”) of the Supervisory Board of TakaréK Mortgage Bank Co. Plc. (hereinafter “Company”) falls within the exclusive competence of the General Meeting.

**I. Background**

As of 1 April 2021, PÓRFY György, member of the Audit Committee, resigned from his membership in the Supervisory Board, simultaneously entailing the termination of his membership in the Audit Committee. The Audit Committee operates with at least 3 members, therefore, with regard to the resignation, it has become necessary to elect a new member as of 1 April 2021 to ensure the proper functioning of the Audit Committee.

**II. Proposal on the election of a new member of the Audit Committee**

Based on the proposal of the Company’s Supervisory Board, the Board of Directors agreed that from among members of the Supervisory Board, Dr. GÖDÖR Éva Szilvia (mother's name: SZAKÁL Ilona Anna; place, date of birth: Hajdúböszörmény, 10 March 1975; address: H-1068 Budapest, Benczúr u. 5. II/18) should be elected member of the Audit Committee as of 1 April 2021.

**PROPOSED RESOLUTION**  
**relating to item 3 on the agenda**

**Acting by authority of the General Meeting, the Company’s Board of Directors elects from among members of the Supervisory Board Dr. GÖDÖR Éva Szilvia (mother's name: SZAKÁL Ilona Anna; place, date of birth: Hajdúböszörmény, 10 March 1975; address: H-1068 Budapest, Benczúr u. 5. II/18) as member of the Audit Committee as of 1 April 2021.**