



PROPOSAL  
TO AGENDA ITEM NO. 4.

**APPROVAL OF THE SUPERVISORY BOARD'S AMENDED RULES OF  
PROCEDURE**

## PROPOSAL

### Approval of the Supervisory Board's amended rules of procedure

Pursuant to paragraph 3:122(3) of Act V of 2013 on the Civil Code ("Civil Code") and clause 3.1.17 (n) 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.

The Supervisory Board of the Company adopted its new rules of procedure by way of Resolution No. 5/2021 (03.08.), which were approved by the Company's Board of Directors acting in its capacity as General Meeting by way of Resolution No. 23/2021 (03.30.).

The Rules of Procedure of the Supervisory Board have been sent to the Integration Organisation in accordance with paragraph 15/A (6) of Act CXXXV of 2013 (hereinafter: Savings Cooperatives' Integration Act).

The Integration Organisation has commented that clause 3.4 of the Rules of Procedure is not in line with paragraph 15/A (7) of the Savings Cooperatives' Integration Act, according to which the business integration management organisation and the Integration Organisation shall be notified of the meetings of the governing body of a member of the Integration Organisation – excluding the business integration management organisation – concurrently with the delivery of the invitation to the members of the body. In view of this, the Integration Organisation has proposed an amendment to the Rules of Procedure.

Pursuant to paragraph 15/A (7) of the Savings Cooperatives' Integration Act, the business integration management organisation and the Integration Organisation shall be notified of the supervisory board meetings of a member of the Integration Organisation – excluding the business integration management organisation – concurrently with the delivery of the invitation to the supervisory board members.

On the basis of the legislative provision cited above, it can be concluded that clause 3.3 of the Rules of Procedure is not compatible with the legal provisions in force, considering that the invitation and the proposals are not sent out at the same time.

In view of the above, the amendment of the Supervisory Board's Rules of Procedure has become necessary.

The Supervisory Board adopted its Rules of Procedure consolidated with the amendments by way of Resolution No. 40/2021 (10.11), with the proviso that they shall enter into force simultaneously with its approval by the General Meeting. In view of the above, the Board of Directors proposes that the General Meeting approve the Supervisory Board's Rules of Procedure consolidated with the amendments.

## PROPOSED RESOLUTION for agenda item 4

**The General Meeting of the Company approves the Rules of Procedure of the Supervisory Board, consolidated with the amendments set out in the Annex to the General Meeting's proposal. The amended Rules of Procedure shall enter into force concurrently with this resolution.**

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

These Rules of Procedure (“**Rules of Procedure**”) 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 the Supervisory Board by way of Supervisory Board Decision No. 40/2021 (10.11.), 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 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 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 draw 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 be 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

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Chairperson of the Supervisory Board