

**Takarék Mortgage Bank**  
**Public Company Limited by Shares**  
**Articles of association**

**Effective as of: 17.06.2020.**

# ARTICLES OF ASSOCIATION

## PREAMBLE

Takarék Mortgage Bank Public Company Limited by Shares (hereinafter as 'Company'), as a member of the Integration Organization of Cooperative Credit Institutions (hereinafter as 'Integration Organization'), and as a shareholder of MTB Magyar Takarékszövetkezeti Bank Zrt., in accordance with the provisions of its operating license, operates as a cooperative credit institution as defined in Act CXXXV of 2013 on the Integration of Cooperative Credit Institutions and on Amendments to Certain Economy-related Legislation (hereinafter as 'Integration Act').

The Integration Organization, MTB Magyar Takarékszövetkezeti Bank Zrt. and the cooperative credit institutions determined in the resolution of the Central Bank of Hungary (hereinafter: Supervisory Authority or MNB), including the Company, are subject to consolidated supervision.

For issues not regulated in this Articles of Association, the provisions of the Integration Act, Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter as Credit Institutions Act), Act CXX of 2001 on financial markets (hereinafter as Capital Market Act), Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (hereinafter as Investment Act), Act XXX of 1997 on Mortgage Loan Companies and Mortgage Bonds (hereinafter as Mortgage Act) and Act V of 2013 on the Civil Code (hereinafter as Civil Code) shall apply.

### THE CORPORATE NAME, PRINCIPAL ADDRESS AND ACTIVITIES OF THE COMPANY

#### 1. The corporate name of the Company:

Takarék Mortgage Bank Co. Plc  
Foreign corporate names of the Company:

in English: Takarék Mortgage Bank Co. Plc  
in German: Takarék Hypothekenbank AG

The abbreviated corporate name of the Company: Takarék Jelzálogbank Nyrt.

#### 2. The principal address of the Company:

H-1117 Budapest, Magyar Tudósok körútja 9. G épület

#### 3. The form of the Company:

The Company is a public company limited by shares.

The Company, positioned among financial institutions, is a mortgage credit institution as a specialized credit institution.

#### **4. The activities of the Company:**

- 4.1. The Company pursues its financial service activities defined in Section 3 (1) of the Credit Institutions Act, and its ancillary financial service activities defined in Section 3 (2) of the Credit Institutions Act, and its activities defined in Section 7 (3) of the Credit Institutions Act in accordance with and in the framework of the provisions of the Credit Institutions Act, Investment Act, Mortgage Act and other legislation related to financial service activity, based on a license of the Supervisory Authority.
- 4.2. The activity (activities) of the Company that it performs under decision(s) no. 345/1998 of the Supervisory Authority in Hungarian Forints and in foreign currencies, are the following:

##### Main activity:

6492'08 Other credit granting

Within the above activities, the Company solely pursues the following activities as defined in Section 3 of Act XXX of 1997 on Mortgage Loan Companies and Mortgage Bonds, specifically:

- accepting repayable cash and cash equivalents from the public, not including the collection of deposits,
- granting of loans, with collateral secured by mortgage lien on real property in the area of Hungary and of an EEA member state,
- granting of loans without mortgage lien where demand guarantee is provided by the state,
- providing surety facilities and bank guarantees, as well as other forms of banker's obligations.

##### Other activities:

6499'08 Other financial service activities n.e.c., specifically:

- commercial activities with regard to interest rate swap deals, and swap deals to hedge the foreign exchange risk of the source of foreign currency thereof.

6619'08 Other activities auxiliary to financial services

#### **5. Territory of operation:**

The Company - within the limitations of the effective laws and applicable licenses - has the right to pursue its activities or certain components of its activities either in Hungary or abroad, and to establish branch offices, outlets or representations.

#### **6. Duration:**

The Company is established for an indefinite period. Apart from the year the Company was formed, the financial year of the Company shall be the same as the calendar year, with that in the year of the formation, the financial year shall start on the day the formation of the Company is registered in the company registry.

## THE REGISTERED CAPITAL, SHARES OF THE COMPANY, RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

### 7. Registered capital

- 7.1. The share capital of the Company is HUF 10,849,030,000, i.e. Ten Billion Eight Hundred Forty-nine Million Thirty Thousand Hungarian Forints, comprised solely of cash contributions paid to the Company.
- 7.2. The Company may also increase its share capital - except where share capital is increased through the distribution of new shares - if the nominal value of all of its shares previously issued had not yet been paid in full.
- 7.3. The General Meeting of the Company may authorize the Board of Directors in a resolution to increase the share capital. The authorization shall specify the highest amount (authorized share capital) by which the Board of Directors may increase the share capital of the Company in a period of up to 5 years determined in the resolution of the General Meeting. When deciding on the authorization to increase the share capital, the General Meeting shall also decide whether to exclude or limit the exercising of the priority subscription right defined in 7.5..

The authorization of the Board of Directors to increase the share capital also authorizes and obliges the Board of Directors to make the decisions related to the increase of the share capital which by law or according to the Articles of Association would otherwise fall within the authority of the General Meeting, and this includes amending the Articles of Association as necessary to increase the share capital.

- 7.4. When increasing the share capital, the General Meeting or the Board of Directors may contemporaneously decide that in the case of new shares to be issued or convertible bonds in the event of a conditional share capital increase may only be accepted by the person(s) designated in a resolution of the general meeting or of the Board of Directors (controlled capital increase).
- 7.5. When increasing the share capital of the Company in exchange for cash contributions, the shareholders of the Company (within that firstly the shareholders holding shares in the same series of shares as the shares distributed), then the owners of convertible bonds shall have subscription priority right in accordance with the conditions specified in the resolution of the General Meeting, or, where share capital is increased within the competence of the Board of Directors, in the resolution of the Board of Directors.

The Company shall notify the shareholders and the owners of convertible bonds via the notification channels determined in the Articles of Association of the possibility and method of exercising the subscription priority right for the receipt of shares, the nominal value and par value of such shares, as well as the commencement and closing date of the (15-day) period during which the subscription priority right may be exercised.

Upon a written proposal of the Board of Directors, the General Meeting may prohibit or limit the exercising of the priority subscription right. The proposal shall present the reasons of the initiative to exclude the right to priority subscription, as well as the planned accounting par value of the shares. In the invitation convening the General Meeting, the Board of Directors shall mark the proposal for discussion in the agenda as part of the agenda item related to the discussion about the share capital increase, but prior to that item. The General Meeting may not adopt a valid resolution regarding the increase of the share capital until it has decided in the matter of prohibiting or limiting the exercising of the priority subscription right. The Board of Directors shall arrange for the resolution of the General Meeting to be announced via the notification channels determined in the Articles of Association at the same time as the resolution is submitted to the Companies Court.

## **8. Shares**

- 8.1. The share capital of the Company comprises of 80,163,440, i.e. Eighty Million One Hundred Sixty-three Thousand Four Hundred Forty shares with a nominal value of 100 HUF, i.e. One Hundred Hungarian Forints each, and 2,832,686, i.e. Two Million Eight Hundred Thirty-two Thousand Six Hundred Eighty-six shares with a nominal value of 1,000 HUF, i.e. One Thousand Hungarian Forints each.
- 8.2. The composition of the share capital by class and type of shares:
- 66,000,010, i.e. Sixty Million Ten class “A” ordinary shares with a nominal value of 100 HUF, i.e. One Hundred Hungarian Forints each, with a total nominal value of 6,600,001,000 HUF, i.e. Six Billion Six Hundred Million One Thousand Hungarian Forints,
  - 14,163,430, i.e. Fourteen Million One Hundred Sixty Three Thousand Four Hundred Thirty class “B” preference (dividend preference) shares with a nominal value of 100 HUF, i.e. One Hundred Hungarian Forints each, with a total nominal value of 1,416,343,000 HUF, i.e. One Billion Four Hundred Sixteen Million Three Hundred Forty-three Thousand Hungarian Forints, and a par value of 10,155,179,310 HUF, i.e. Ten Billion One Hundred Fifty-five Million One Hundred Seventy-nine Thousand Three Hundred Ten Hungarian Forints and
  - 2,832,686, i.e. Two Million Eight Hundred Thirty-two Thousand Six Hundred Eighty-six class “C” ordinary shares with a nominal value of 1,000 HUF, i.e. One Thousand Hungarian Forints each, with a total nominal value of 2,832,686,000 HUF, i.e. Two Billion Eight Hundred Thirty-two Million Six Hundred Eighty-six Thousand Hungarian Forints, and a par value of 20,310,358,620 HUF, i.e. Twenty Billion Three Hundred Ten Million Three Hundred Fifty-eight Thousand Six Hundred Twenty Hungarian Forints.
- 8.3. The shares of the Company are issued as dematerialized securities in compliance with the laws pertaining to securities.

## **9. The Transfer and Registration of Shares**

- 9.1. The shares of the Company are freely transferable within the limitations of the applicable legislation and this Articles of Association, they may be acquired or

transferred in a manner set forth in a specific law solely via a debit or a credit made to a securities account.

- 9.2. The Company maintains a stock-register in accordance with the effective laws, this Articles of Association and the relevant internal policy. The shareholders' ownership is certified by the entries made into the stock-register of the Company, therefore shareholders may only exercise their shareholders' rights against the Company once they have been entered into the stock-register. The stock-register shall be maintained by the Board of Directors or it may appoint a person (persons) determined in law to maintain the stock-register, in which case the fact of the appointment and the details relating to the appointed person must be disclosed.
- 9.3. The Company maintains the stock-register in accordance with the relevant provisions of Capital Market Act and the Civil Code.
- 9.4. The Board of Directors of the Company - or its representative as per the applicable laws - shall maintain a stock-register where at least the following data are provided of the shareholders:
- the names of the shareholders or their proxies, in the case of natural persons: the address of residence, mother's maiden name, citizenship; in the case of legal persons (e.g. business enterprises) and sole shareholder corporations: the principal address thereof;
  - where shares have more than one owners, the details in respect of the owners and their joint representative;
  - the number of shares held by a shareholder of each series of share, the ownership interest of each shareholder;
  - the international securities identification number, series and nominal value of the share;
  - the type of the share;
  - the date when the acquisition is recorded in the register of shareholders
  - the date of withdrawal and destruction (deletion) of the shares;
  - the reference number and the date of the decision of the Supervisory Authority in relation to the acquisition where it is necessary for acquisition.

As an annex of the stock-register, the Board of Directors or its representative set forth in the applicable law shall also maintain the data suitable for identifying the indirect ownership held in the Company, calculated according to Schedule No. 3 of the Credit Institutions Act, by owners of at least five percent. Any owner who holds or acquires at least a 5% or higher ownership interest in the Company shall notify the Company of the indirect ownership held by it in the Company and of the changes in such ownership, while simultaneously providing the identification data to the Company. The right to exercise the right to vote of any member not fulfilling this notification obligation shall be suspended by the Supervisory Authority until this obligation is fulfilled.

- 9.5. The shareholder shall be responsible for any and all damage caused to a person that results from untruthful information provided by it while requesting to be entered in the stock-register, or due to a failure to fulfil its obligation to inform set forth in clauses 9.6 and 9.7.

- 9.6. Shareholders registered in the stock-register of the Company shall notify the Board of Directors in writing within 30 days of any change in their data maintained in the stock-register.
- 9.7. If a shareholder's ownership has terminated due to a debit made to a securities account, the shareholder, or the manager of the securities account, shall submit a notification of this fact to the manager of the stock-register within two business days. The manager of the stock-register shall enter the change in the stock-register based on the notification without delay. The data deleted from the stock-register shall remain to be identifiable.
- 9.8. The Company accepts the owner certificates and the securities account statements issued by KELER Központi Értéktár Zrt. ("KELER Zrt."), as depository, for the relevant date based on KELER Zrt's verification to verify the ownership of the shares.
- 9.9. The senior officer of the Company under Article 6(122) of the Credit Institutions Act shall make a declaration to the Company's Board of Directors with regards to the shares owned by the senior officer and issued by the Company.

## **10. Rights and Obligations of Shareholders**

### **10.1. Obligations of shareholders:**

- 10.1.1. The liability of the shareholder to the Company extends to the provision of the nominal value or the par value of share. The shareholder shall not be liable for the obligation of the Company otherwise.
- 10.1.2. During the existence of the Company, the shareholder shall not reclaim its financial contribution already provided. Except in the case of a share capital decrease, no payments shall be made to the shareholder against the share capital based on its membership status.
- 10.1.3. Acquisition of a controlling stake in the Company is governed by the rules set forth in the Capital Market Act and the Credit Institutions Act.

### **10.2. Rights of shareholders:**

- 10.2.1. The shareholder is entitled to exercise its rights as a shareholder when in possession of the owner certification defined by the statutory provisions related to shares and securities. The shareholder does not need an owner certification to practice his rights if the entitlement is determined according to the regulations of the Articles of Association and the Capital Market Act by owner compliance. In addition to the above, the provisions of clause 12.1 shall also be required for the shareholder to exercise its rights related to the General Meeting.
- 10.2.2. The shareholder shall practice his rights in person or by way of a substitute (representative) or by a shareholder substitute defined by the Civil Code and the Capital Market Act. A power of attorney is valid for one General Meeting

or a specific period of time, but at maximum 12 months. The power of attorney remains valid for the continuation of any suspended General Meeting and any General Meeting convened for a second time due to a lack of quorum. The power of attorney must be submitted to the Company in the form of an authentic instrument or public instrument with full evidencing power. A member of the Board of Directors or the Supervisory Board may act as a representative if they have clear written instructions for voting with regard to each draft proposal given by the principal. The Company's auditor and the Company's property inspector cannot become representatives. The shareholder may assign a substitute who represents him in the general assembly if he sends the form included in the Annex 1 or 2 of the Articles of Association filled out as a private deed to the Company by post or as an electronic document until the end of the working day before the day of the general assembly. If the shareholder is represented by more than one proxy and they vote differently or make contradictory declarations, each vote cast and declaration made by them shall be null and void.

- 10.2.3. The shareholder may request his shares to be credited to a securities account after the nominal value, or where the nominal value and the accounting par value are different, the amount of the accounting par value of the shares has been paid in full.
- 10.2.4. The shareholder is entitled to receive a proportionate share of the Company's earnings after tax under the accounting laws that the General Meeting orders to be divided, corresponding to the nominal value of his shares (dividend). The dividend shall be calculated with regard to the rights relating to the classes of shares determined in the Articles of Association.
- 10.2.5. Shareholders who are on the Company's shareholders list on the day that is determined by the general assembly's decision on dividend payment are entitled to receive dividends. Between the beginning date of dividend payment and the date of decision on dividend payment has to be a period of 20 working days.
- 10.2.6. If the Company is liquidated without a legal successor the shareholder is entitled to the amount of the liquidation value equivalent to his share.
- 10.2.7. The shareholder is entitled to participate in general assembly, ask for information and make remarks. The Board of Directors binds the supply of information and access to the documents to the signing of a written confidentiality statement by the shareholder requesting the information. The Board of Directors may reject the request for information and access to the documents if it would compromise the Company's business, bank, securities or other similar secrets or if the person requesting the information exercises this right in an abusive manner or fails to make a confidentiality statement despite having been instructed thereto. If the person requesting the information believes that the information has been denied unreasonably, he/she may request the Companies Court to oblige the Company to disclose the requested information. The Board of Directors shall provide the shareholders with the information necessary to discuss the topics on the



General Meeting's agenda in a way that the shareholder shall have received the necessary information 3 days prior to the date of the General Meeting at the latest (provided that the shareholder has submitted a written request no later than 8 days prior to the general meeting).

10.2.8. The shareholder shall have the right to submit proposals and exercise his voting rights provided by his shares within the boundaries of the law.

10.2.9. The shareholder has every minority rights ensured by the Civil Code.

10.3 Owners of class "B" dividend preference shares shall be entitled to shareholder's rights with the following alteration:

10.3.1. Dividend right: from the earnings after tax to be divided among the shareholders, owners of class "B" dividend preference shares are entitled to a dividend that is 10% higher than the dividend that owners of class "A" ordinary shares are entitled to, with the proviso that if the owner of the dividend preference shares is not entitled to a dividend in a particular business year, the unpaid dividend shall not be paid against the earnings of the subsequent years;

10.3.2. Voting rights: owners of class "B" dividend preference shares shall not be entitled to voting rights and therefore shall not be entitled to vote at the General Meeting. If the Company does not pay the dividends in a fiscal year, the shareholders of dividend priority share are entitled to voting rights equivalent with the voting rights that are connected to ordinary shares of „A" series and this right can be practiced without limitation until acceptance of the next fiscal year's report.

10.4 Owners of class "C" ordinary shares shall be entitled to shareholder's rights with the following alteration:

10.4.1. Voting rights: owners of class "C" ordinary shares are entitled to the same voting rights as that which class "A" ordinary shares offer, i.e. one class "C" ordinary share with a nominal value of 1,000 HUF, i.e. One Thousand Hungarian Forints, shall entitle to ten votes.

## **THE ORGANIZATION OF THE COMPANY**

### **11. The general meeting**

11.1. The supreme body of the Company is the general assembly.

11.2. The Board of Directors shall convene the General Meeting at least 30 days prior to the start date of the general meeting by way of announcements published via the publication channels determined in the Articles of Association. The announcement shall include the following:

- a) the corporate name and principal address of the shareholding company;
- b) the time and date and the venue of the General Meeting;
- c) the agenda of the General Meeting;

- d) the requirements to exercise voting rights as determined in the Articles of Association;
- e) the date and time until the name of the shareholder or of the shareholder substitute wishing to participate in the General Meeting may be entered in the stock-register;
- f) the requirements determined in the Articles of Association to exercise the right to demand to obtain information or to amend the agenda of the General Meeting;
- g) information relating to the time, date, place and manner of accessing draft proposals scheduled in the agenda of the General Meeting (including the URL of the website of the Company as well), and
- h) the place, time and date of a repeated General Meeting in case of a lack of quorum at the General Meeting, and
- i) the manner of holding the General Meeting.

11.3. With the exceptions specified by the legislation or this Articles of Association, the General Meeting shall be convened by the Board of Directors – at the place specified in the invitation sent by the Board of Directors or, in the absence of the Board of Directors’ decision relating to the place, at the registered seat of the Company – if it deems necessary with regard to the operation of the Company, or if it is stipulated by the Articles of Association, or a legislative provision. Pursuant to the Integration Act, the Board of Directors shall convene the General Meeting of the Company – as soon as possible – if the Board of Directors of the Integration Organization or the Board of Directors of the ~~Central-Bank~~ **Integrational Business Management Organization** initiated a General Meeting for the election of senior officers.

11.4. The general meeting shall be convened at least once a year. The ~~Central-Bank~~ **Integrational Business Management Organization** and the Integration Organization shall be notified of the General Meeting in advance, simultaneously with the publication of the invitation. The invitation, and the proposals and related materials – if any – regarding the agenda shall be attached to the notification. The management of the Integration Organization may request the Company, where appropriate, within 5 working days from the receipt of the notification to prepare a written proposal for the agenda items specified by the Integration Organization, which do not contain a proposal. The representative of the ~~Central-Bank~~ **Integrational Business Management Organization** and the Integration Organization may attend the General Meeting of the Company with the right of consultation.

Shareholders who have submitted a relevant written request to the Company shall also be informed via electronic means of the calling of the General Meeting in addition to the channels determined by the Articles of Association.

In accordance with the provisions of the Articles of Association relating to the publication of the announcements of the Company, the Company will publish the material data of the accounts set out in the Accounting Act, the report of the Board of Directors and of the Supervisory Board, the summaries relating to the number of shares and voting rights as at the time of convening the General Meeting (including separate summaries for each class of shares), and the proposals related to the items on the agenda, the reports of the Supervisory Board related thereto, as well as the

draft proposals and the forms to be used for voting by proxy (where such forms have not been sent to the shareholders directly) at least 21 days prior to the General Meeting.

- 11.5. If the General Meeting has been convened improperly, the General Meeting may be held and resolutions may be passed only when all shareholders entitled to vote are present, provided that they unanimously consent to the holding the General Meeting.
- 11.6. In addition to the regular annual General Meeting and the cases stipulated by law, the Board of Directors shall convene an extraordinary General Meeting if the previous General Meeting or the Board of Directors decided to do so, or upon the request of the owner (owners) of shares representing at least 1% of the voting rights, with the indication of the cause and the purpose. The General Meeting may be convened by the Supervisory Board under the provisions of clauses 15.22.. The (extraordinary) General Meeting that decides about the share capital increase necessary to avoid measures, extraordinary measures determined in the Credit Institutions Act that can be imposed by the supervisory authority or the resolution procedure under Act XXXVII of 2014 on the further development of the system of institutions strengthening the security of the individual players of the financial intermediary system may also be convened at least 10 days prior to its start date.
- 11.7. Shareholders may exercise their rights in person or by way of a representative, in accordance with the provisions of clause 10.2.2.
- 11.8. The general assembly shall have a quorum if the shareholders representing more than half of the votes attached to the shares vested with voting rights are present. If the General Meeting lacks quorum, the second General Meeting convened for the date and time included in the original announcement shall have quorum in the matters included in the original agenda without regard to the number of participants. A repeated General Meeting that is called due to the lack of quorum may be convened for a date at least 10, but no later than 21 days from the original date.
- 11.9. The Chair of the General Meeting shall be the person requested by the Board of Directors, or in the lack thereof, the person appointed by the General Meeting. The appointment of the Chair of the General Meeting shall be valid for the relevant General Meeting, the repeated or the continued General Meeting.
- 11.10. The General Meeting may be suspended by the Chair at one time at most. In such a case the General Meeting shall be continued within 30 days. In this case, the rules applicable to convening the general meeting and the election of the officers of the general meeting shall not be applied.

## **12. The Authority of the General Meeting, the Decision-making Procedure, Exercising the Right to Vote**

- 12.1. At the General Meeting, each class "A" ordinary share with a nominal value of HUF 100, i.e. Hundred Hungarian Forints, entitles to one vote; and each class "C" ordinary share with a nominal value of HUF 1,000, i.e. One Thousand Hungarian Forints, entitles to ten votes. The Company shall perform ownership compliance in relation to the General Meeting as determined in the Capital Market Act, stock

market regulations and KELER Zrt's regulations, its effective date shall be between the 7<sup>th</sup> and 3<sup>rd</sup> trading days prior to the General Meeting. At the general assembly only those persons are entitled to the shareholder rights who owns the shares on the day of ownership compliance and whose name is included in the list of shareholders on the second working day before the beginning day of the general assembly at 18,00 (closure time of the list of shareholders).

Closure time of the list of shareholders does not limit the shareholder's rights in transferring his shares after the closure of the list of shareholders. The transfer of shares before the beginning day of the general assembly does not exclude the shareholder's right whose name is included in the list of shareholders to participate in the general assembly and practice the rights he is entitled to.

- 12.2. The General Meeting shall pass decisions in the matters on the agenda with open ballot, with the application of computerized vote counting, by showing the voting paper or through other methods suitable for the counting of the votes. The vote – unless the General Meeting decides otherwise – shall be conducted per resolution proposal. Voting shall commence first regarding the proposals for amendments, and then the original proposal for resolution. In the case of a tied vote, the proposed resolution shall be regarded as rejected. In the case of a tied vote regarding a matter where passing a resolution is mandatory under the statutory provisions, the matter shall be put on the agenda again.
- 12.3. The following shall fall within the exclusive competence of the General Meeting:
- a) the establishment and amendment of the Articles of Association;
  - b) passing a decision to change the form of operation of the Company;
  - c) increasing and decreasing the share capital, also including the authorization of the Board of Directors set forth in clauses 7.3 and 7.4 to increase the share capital;
  - d) passing a decision on the Company to merge, fuse with, or split from another shareholding company, or to dissolve without a legal successor, or to transform into another corporate form;
  - e) electing and recalling the members of the Board of Directors and deciding about the remuneration thereof;
  - f) electing and recalling the members of the Supervisory Board and deciding about the remuneration thereof;
  - g) electing and recalling the auditor and deciding about the remuneration thereof;
  - h) providing financial support to third parties for the acquisition of the shares issued by the Company;
  - i) approval of the accounts prepared in accordance with the accounting act, including the decision on using the profit after tax as well;
  - j) decisions about the payment of dividends or interim dividends, with the exception of the case set forth in clause 14.19.1 e);
  - k) evaluating the performance of the senior officers determined in the Civil Code in the previous fiscal year and deciding about their respective indemnification;
  - l) the modification of the rights attached to a certain series of shares and the transformation of categories or classes of shares;
  - m) the issue of convertible bonds or bonds with subscription rights;

- n) deciding on the exclusion of the priority subscription right;
- o) decisions to repurchase shares, except where the repurchase of the shares is necessary to avert a serious damage jeopardizing the Company and to accept public purchase offers made for the own shares of the Company;
- p) decisions on taking measures suitable to disrupt public tendering procedures;
- q) approval of the Supervisory Board's rules of procedure;
- r) approving the Corporate Governance Report;
- s) decisions to prepare the establishment of a recognized group of companies and about the content of the control agreement;
- t) approval of the draft control agreement;
- u) decisions on requesting to delist the shares of the Company from any stock exchange or subscription system;
- ~~v) adoption of remuneration guidelines, which shall be published on the official website of the Company within 30 days after adoption;~~
- v) decisions in all other subjects which are assigned to the exclusive authority of the General Meeting by the laws or this Articles of Association.

12.4. The Board of Directors of the Company is authorized to modify the corporate name, principal address, places of business, branch offices, as well as the activities of the Company - except for the main activity of the Company - and to modify the Articles of Association in connection therewith.

12.5. If under the Integration Act or the Articles of Association of the Integrational Organization the consent or approval of the Integration Organization or the ~~Central Bank~~ **Integrational Business Management Organization** is necessary for the passing of a General Meeting resolution, the management of the Company shall take the necessary steps to obtain the necessary authorizations.

12.6. A preliminary approval by the Integration Organization is required to adopt and amend the Articles of Association.

12.7. The General Meeting shall pass decisions on the matters falling within its authority with at least a simple majority of the votes approving the proposed resolution, except in the cases specified in Section 3:102, Subsection (3) Section 3:211, Section 3:276 of the Civil Code, as well as the cases specified by law where resolutions may be adopted with the approval of the 3/4 majority of the votes of the shareholders present – or if the law stipulates otherwise, then in accordance with the conditions specified therein. Abstentions are counted as against votes.

12.8. The General Meeting shall decide on any and all matters that the Board of Directors, the Supervisory Board, or shareholder(s) representing at least 1% of the votes present to the General Meeting. If shareholders holding in total at least 1% of all votes communicate to the Board of Directors a proposal regarding the extension of the agenda (in accordance with the rules relating to the detailedness of the agenda) or a draft proposal regarding an item included in or to be added to the agenda within 8 days after the publication of the notice convening the General Meeting, the Board of Directors will publish a notice regarding the extended agenda and/or the draft proposals submitted by the shareholders upon the communication thereof to the Board of Directors. The matter indicated in the notice must be considered as a part of the agenda.

- 12.9. A decision of the General Meeting to transform the operating mode of the Company from public to closed may only be made if at least 3/4 of the shareholders each representing 1% of the votes at most have consented to it in advance. With regard to the preliminary approval, the Board of Directors shall call the affected shareholders of the Company to declare whether they grant their approval in the announcement containing the invitation to the General Meeting. The affected shareholders shall send their written standpoint to the principal address of the Company, addressed to the Board of Directors, by the deadline set forth in the announcement, which is at least two days from the effective date of the ownership compliance related to the General Meeting deciding on the transformation of the operating mode of the Company from public to closed. If a shareholder fails to make a relevant statement within the deadline set forth in the announcement, it shall be regarded as a consent granted. Only one valid consent can be granted on the basis of one particular share. The Board of Directors of the Company shall determine the scope of affected shareholders based on the ownership compliance related to the General Meeting that decides on the transformation of the operating mode of the Company from public to closed.
- 12.10. A decision under clause 12.3 c) and l) may only be passed if more than half of the shareholders attending the General Meeting out of those shareholders who hold the affected classes and series of shares individually consents to it. In course of establishing the result of the voting, the votes cast by the shareholders of the types of shares or series of shares concerned shall be evaluated separately as well in respect of this approval, or if necessary, a separate vote shall be held for such shareholders. A class or series of shares will be regarded as affected if the decision of the General Meeting has a direct and detrimental impact on a right of the shareholder provided by this Articles of Association in relation to the relevant class or series of shares. In the course of the above, any eventual limitation or exclusion of the voting rights attached to a share shall be disregarded (except for the prohibition to exercise the voting rights attached to the own shares). Based on the authorization included in the decision of the General Meeting passed in accordance with the provisions of this clause, lawful consent to decisions made by other bodies of the Company shall be regarded as granted.

### **13. The Officers and the Work of the General Meeting**

- 13.1. The presiding chairman of the General Meeting
- chairs the meeting in the order determined in the announcement convening the General Meeting;
  - orders the voting;
  - signs the minutes prepared about the meeting and about the decisions and appoints a shareholder in attendance to verify it.
- 13.2. The events of General Meeting shall be recorded in minutes, containing the following:
- the name and registered seat of the Company;
  - the date, venue and method of holding of the general meeting;
  - the names of the presiding chairman of the General Meeting, the minute keeper, the person authenticating the minutes and the voting clerks;

- the major events of the general meeting and the proposals submitted;
  - the proposals for resolutions, in respect of each proposal the number of the shares on behalf of which valid votes have been cast, the share capital represented by the votes cast, the number of the votes for and against and the number of abstentions;
  - any objections to a resolution made by the shareholder, a member of the Board of Directors or of the Supervisory Board, if the objector so requires.
- 13.3. The minutes shall be signed by the minute keeper and the chairman of the General Meeting, and shall be authenticated by the shareholder in attendance and elected to do so. The minutes drawn up of the General Meeting shall be sent to the ~~Central Bank~~ **Integrational Business Management Organization**, the Integration Organization and the Supervisory Authority within 15 days of the General Meeting.

#### 14. The Board of Directors

- 14.1. The Board of Directors is the management body of the Company, the members of the Board of Directors are senior officers. The Board of Directors ensures the management of the Company as a body. The Board of Directors represents the Company against third parties, as well as before courts and other authorities. A shareholder may not deprive a senior officer of his or her the authorities. The responsibility of senior officers shall be governed by the rules of the Civil Code.
- 14.2. The members of the Board of Directors may only be natural persons. The Board of Directors consists of at least 5, but no more than 11 members. The members of the Board of Directors are elected by the General Meeting from among the shareholders or other persons. The Board of Directors shall have at least 2 members who are employed by the Company (hereinafter as “internal Member”). Furthermore, at least 2 Board Members shall be a resident, Hungarian citizen who have held a permanent Hungarian address of residence for at least 1 year.
- 14.3. The executive directors of the Company may be elected as internal Board Members. In the event that the employment status of an internal Member terminates, their Board membership shall terminate at the same time.
- 14.4. Any person who has been an auditor at the Company or at any financial institution in close relations with the Company in the 3 preceding years shall not be elected as internal member. Similarly, and person not fulfilling the requirements determined in law or in the policies issued by the Integration Organization about the suitability of senior officers and the verification thereof shall not be elected as a Board Member.
- 14.5. Board Members – with the exception of the ~~Central Bank~~ **Integrational Business Management Organization**, other legal persons or public limited-liability companies subject to consolidated supervision with the Company – may not acquire shares in other business associations the main activity of which is the same as that of the Company, furthermore – with the exception of the ~~Central Bank~~ **Integrational Business Management Organization** and other legal persons subject to consolidated supervision with the Company –, Members may not hold a senior officer position in a business association the main activity of which is the same as that of the Company, except with the consent of the General Meeting. Board

Members and their relatives—with the exception of those exempted by law—may not enter into any transaction in their own name or for their own benefit, which falls within the Company’s scope of main activity. The senior officer of the Company may, without restrictions, become a senior officer in any legal person—subject to consolidated supervision with the Company—the main activity of which is the same economic activity as that of the Company. If any senior officer of the Company accepts a new senior officer mandate, then such senior officer shall notify the Company of this fact within 15 days of accepting the office.

- 14.6. The term of mandate of the Board Members shall be for 5 years from the date of their election. Board Members may be recalled at any time, and may be re-elected once their term is expired.
- 14.7. Board Members may resign at any time, however, where it is required for the operability of the Company — in particular where the resignation would reduce the actual number of the Board of Directors below the minimum number set forth in clause 14.2, or the number of internal Members would be reduced below 2, or it would exceed the number of the external members —, the resignation shall become effective on the sixtieth day after the announcement thereof, unless the General Meeting has already provided for the election of the new Member.
- 14.8. The Board of Directors shall appoint a Chairman from among its members.
- 14.9. The Chairman of the Board of Directors (or the Board Member appointed by him/her where the Chairman is prevented from acting) shall organize the work of the Board and ensure its effective operation. This shall include in particular the following:
  - convening in writing the meeting of the Board at least 5 business days prior to the date of the meeting — except in case of urgent decisions;
  - providing for the submission of the proposals and the keeping of the minutes;
  - chairing the Meeting, ordering voting; and
  - chairing the General Meeting until the election of its newer chairman, where necessary.
- 14.10. The Board of Directors shall conduct a meeting at least once every three months, however the Chairman of the Board of Directors may convene the Board of Directors at any time. The Chairman shall convene the Board of Directors upon the request of two Members, or in cases provided for in the legislation. The sessions shall be convened by the Chairman or the Board Member assigned by the Chairman, via an invitation forwarded at least 5 working days before the date of the session. The Chairman of the Board of Directors shall notify the Integration Organization and the ~~Central Bank~~ **Integrational Business Management Organization** of the session of the Board of Directors in advance, simultaneously with the sending of the invitations to the members, but at least 5 working days prior to the session, by sending the invitation and the attached materials specified herein. The authorized representatives of these organizations may participate in the session of the Board of Directors with consultation rights. The invitation shall include the agenda of the session, and the proposal and the related materials – if any – regarding all agenda shall be attached to the invitation. The management of the Integration Organization may request the Company, where appropriate, within 3 working days from the receipt of the notification to prepare a written proposal for the agenda items specified by the



Integration Organization. With regards to issues not included in the agenda, the Meeting shall be entitled to adopt a resolution only when all Members, or the ~~Central Bank~~ **Integrational Business Management Organization**, the representative of the Integration Organization is present at the Meeting — or participates by means of phone or video conference (by means of electronic communication) —, and consents to the discussion of the issue that is not included in the agenda. The Board of Directors cannot adopt any valid resolution if the above obligations are breached. The Chairman of the Supervisory Board or the Supervisory Board Member appointed by the Chairman of the Supervisory Board shall participate in the sessions of the Board of Directors as a permanent invitee.

- 14.11. There is quorum when more than half of the Board Members are present. There is no quorum in case of infringements to what is set forth under point 14.10. Decisions of the Board of Directors shall be made with the simple majority of the voice votes of the members present, unless otherwise provided by law or the Articles of Association.
- 14.12. Minutes shall be recorded during Board Meetings. The minutes shall include the following:
- place and date of the Board Meeting,
  - the names of the Board Members present,
  - the proposals presented,
  - the decisions taken and protests raised against the decisions.

Board Members may request that their opinion be recorded in the minutes verbatim.

- 14.13. The minutes shall be signed by the Chairman of the Meeting, two further Board Members present, and the registrar. The minutes shall be sent to all Board Members, the Chair of the Supervisory Board, the Integration Organization and the ~~Central Bank~~ **Integrational business management organization** within 15 (fifteen) days after the meeting, irrespective of whether they have attended the meeting or not.
- 14.14. Board Members may also participate at the Board Meetings by means of electronic communication. The detailed rules of the same are set out in the rules of procedure of the Board.
- 14.15. The Board of Directors may only adopt valid resolutions outside of the Meeting — that is without convening and holding a Meeting, via telephone, facsimile, electronic messages or similar ways —if the votes of more than half of the Board Members are recorded in a private document of probative value, which is forwarded to the Company's registered seat within 2 (two) business days—following the date on which the call for the adoption of a resolution outside of a Meeting and the relating documents (the proposals and voting ballots in particular) are sent to the Board Members.

From what was set forth in point 14.10, the provisions concerning the prior notification of the Integration Organization and the ~~Central Bank~~ **Integrational business management organization** shall also be applicable mutatis mutandis in cases of resolutions adopted outside of the Meetings, provided that a panel Meeting shall be held upon the request of the ~~Central Bank~~ **Integrational business**

management organization or the Integration Organization. The Board of Directors cannot adopt any valid resolution if the above obligations are breached.

14.16. The detailed rules for the operation of the Board of Directors are specified by the rules of procedure of the Board of Directors. The Rules of Procedure shall be drawn up by the Board of Directors themselves within the framework set by the Articles of Association.

14.17. The Board of Directors manages and controls the Company's finances. Within the framework of the Articles of Association, it is entitled to any measure that is not exclusively reserved for the General Meeting. With regards to the combination of businesses under the Company's control, the Board of Directors shall be responsible for ensuring prudent operation, and compliance with the requirements of risk-taking and capital adequacy. The Board of Directors shall exercise the rights of ownership in case of businesses owned or controlled by the Company.

14.18. The Board of Directors shall:

- prepare and present—together with the Supervisory Board's report—to the General Meeting the Company's account in compliance with the Act on Accounting and the proposition concerning the use of profits;
- prepare and present—together with the Supervisory Board's report—to the General Meeting the Company's Corporate Governance Report;
- draw up a report once a year for the General Meeting and once every three months for the Supervisory Board on the management, the Company's financial position and business policy (including subsidiaries within the Company's scope of consolidation);
- convene the Ordinary General Meeting once a year, and convene the Extraordinary General Meeting within 8 (eight) days—with the simultaneous notification of the Supervisory Board—in the event any of the Members becomes aware that as a result of the losses sustained, the Company's equity is reduced to two-thirds of the share capital, or falls below the minimum set forth by the Civil Code, furthermore, if any of the Members becomes aware that the Company is at risk of insolvency, has suspended its payments, or its assets do not cover its debts;
- ensures proper management of the Company's books;
- ensure the keeping of the list of shareholders and provides a continuous opportunity for access to the stock-register during working hours;
- decide on the acquisition of the Company's own shares, if such is necessary in order to avoid a serious damage threatening the Company;
- ensure prudent operation and compliance with the requirements of risk-taking and capital adequacy with regards to the combination of businesses under the Company's control;
- forward its Rules of Procedure to the Integration Organization within 5 (five) days from acceptance or modification thereof.
- forward within 15 (fifteen) days from the date of entry into force each of its regulations, which are provided in accordance with the regulations issued by the Integration Organization or the ~~Central Bank~~ Integrational business management organization.

14.19. Competence of the Board of Directors

14.19.1 Competences relating to the Company's strategy, business and financial activities

- a) approval of strategic and business policy objectives;
- b) establishment and approval of the annual financial and business plan, and commercial policy;
- c) analysis and evaluation of business policy directives on the basis of the Company's quarterly balance sheets;
- d) governance of the Company's finances, covering the approval of the Accounting policies and the relating rules;
- e) shall be entitled to the acceptance of interim accounts, moreover, to the adoption of resolutions on the payment of interim dividends, however, the prior approval of the Supervisory Board is necessary for that;
- f) defining the guidelines on risk management, which ensure the mapping of risk factors, the fitness of internal control mechanisms and the regulatory and supervisory system for the management of these, and moreover legal compliance;
- g) segregation of tasks within the organization, approval and periodic review of strategies and policies for the prevention of conflict of interests and the assumption, measurement, management, monitoring and moderation of risks (including the regulation containing the rating and estimation processes relating to the management of credit and operational risks),
- h) approval of the internal policy on the principles of publication,
- i) development and the supervision—at least on an annual basis—of the strategy and procedures for the determination and continuous maintenance of a fund which has the necessary size and composition to cover the Company's present and future risks;
- j) determining the scopes (limits) of decision relating to financial services;
- k) decision with regards to lending exceeding 10% of the Company's solvency margin (not including interbank financial transactions);
- l) decision on investments the volume of which exceeds 5% of the actual equity from an accounting perspective;
- m) decision on the commencement, suspension or termination of exercising certain activities within the scope of the Company's authorized activities (point 4);
- n) defining the conditions of the management contracts to be concluded with the asset controller;
- o) defining the operating conditions, and the rules on business transactions and conduct thereof with regards to the treasury's financial and capital market activities;
- p) the approval of the rules on the establishment of the value relating to the collateral registry, risk-taking, large exposures and collaterals;
- q) decision in matters of receivables-real estate exchanges (forced investments) in excess of HUF 200. million;
- r) decision on sales at a loss amounting to more than HUF 50. million HUF against a client or a group of clients, where individual claims became problematic.

14.19.2 Scope of tasks and competences relating to the operation and organization of the Company

- a) convening the Company's General Meeting;
- b) ensuring communication with the shareholders at an appropriate level and frequency;
- c) communication with the Supervisory Board, drawing up reports for the same;
- d) continuous monitoring of the efficiency of corporate governance practices;
- e) management of major conflicts of interest having an impact on the overall organization or operation of the Company;
- f) approval of major organizational changes (elimination, establishment of directorates);
- g) establishment of the measures and action plan which became necessary as a result of the findings of MNB;
- h) development of the financial incentive scheme;
- i) approval of the policy on Employer's loans.

14.19.3 Competences relating to capital increase and the acquisition of the Company's own shares

- a) entitlement to increase the Company's share capital pursuant to what is set forth in the Articles of Association with regards to the restrictions of the authorization by the General Meeting;
- b) in the event of an authorization by the General Meeting, entitlement to decide on transactions relating to the Company's own shares in the framework of the restrictions included therein;
- c) entitlement to decide on the acquisition of the Company's own shares even in the absence of authorization by the General Meeting, if such is necessary to avoid the serious damage threatening the Company.

14.19.4. Competences relating to ~~Group governance~~, Company formation, and investments:

- a) decision on acquiring or selling other companies or business activities provided that the volume thereof exceeds HUF 100 million, and the size of the shareholding reaches what is considered to be an influential holding;
- b) with regards to the single-member companies owned by the Company, decision-making in matters falling within the competence of the highest authority, and the exercise of the ownership rights;
- c) exercise of membership rights under the Civil Code with regards to companies falling under the control of the Company;
- d) giving instructions to the board of directors of a credit institute, financial business, ancillary services undertaking—in case of which the Company's influence exceeds 50 (fifty) percent of the holding of shares—on account of complying with and performing the requirements of consolidated supervision.

14.19.5 Rights relating to the Company's representation

- a) development of and supervising compliance with the directives relating to the publication of those information the disclosure of which is required by the applicable legal provisions;
- b) exercise of the employer's rights with regards to executive directors (executive director: Chief Executive Officer and their deputies);
- c) appointment of workers who are authorized to act on behalf of the Company—and who has to be entered into the companies register—, and approval of the regulation including the procedural rules of transferring the joint power to sign of two internal Board Members.

14.19.6 Competences relating to its own operation:

- a) making proposals—where necessary—to the General Meeting in respect of the nomination of the Board Member(s) and their remuneration;
- b) election and removal of the Board of Directors' Chairman;
- c) acceptance and amendment of the Board's Rules of Procedure;
- d) entitlement to form permanent or ad hoc committees with the participation of the Board Members and/or external persons (employees, external experts, etc.), and to grant the necessary authorization to these bodies;
- e) may use the services of external advisors or experts in order to fulfil its tasks;
- f) quarterly review on the implementation of its own previous resolutions.

14.19.7. Further competences:

- a) **executing the group-level Remuneration Policy;**
- b) decision in all further issues which are assigned to the competence of the Board by the General Meeting;
- c) decision in all further issues which are assigned to the competence of the Board of Directors by law, or which are placed by the Board of Directors into its own jurisdiction—as matters not allocated to the exclusive competence of the General Meeting—, or the negotiation of which is required by any of the Board Members or the Supervisory Board;
- d) reporting with regards to ongoing cases under its own competence.

14.20. The employer's rights as set forth in point 14.19.5 b) are exercised by the Board of Directors. Unless provided otherwise by the Board of Directors, the Chief Executive Officer shall exercise the employer's rights in respect of the Company's other employees.

14.21. The Board of Directors is entitled to acquire the Company's own shares in an amount permitted by laws even in the absence of a preliminary authorization by the General Meeting, if such is necessary to avoid serious damage directly threatening the Company. In such cases, the Board of Directors shall provide information during the upcoming General Meeting on the reasons for the acquisition of the Company's own shares, the number of acquired shares, the total nominal value thereof, and

moreover of the ratio of such shares to the Company's share capital and the consideration that was paid.

## **15. The Supervisory Board**

- 15.1. The members of the Supervisory Board may only be natural persons.
- 15.2. The Supervisory Board has at least 3 (three), but in any case not more than 9 (nine) members, the majority of which, but at least 3 members shall be independent persons under the Civil Code, and except for the persons representing the employees, they may not be in an employment relationship with the Company. Members of the Supervisory Board shall be elected by the General Meeting for a term not exceeding 5 (five) years. The Chairman of the Supervisory Board shall convene the General Meeting, if the number of the members of the Supervisory Board has fallen below 3 (three).
- 15.3. The members of the Supervisory Board shall be persons of legal age, whose legal capacity required for the fulfilment of their responsibilities has not been restricted. Persons against whom any statutory reason for disqualification exists concerning senior officers under the Civil Code, persons whose relatives under Section 8:1 (2) of the Civil Code are senior officers of the Company under the Civil Code, as well as persons who do not comply with the conditions set forth in the regulation on the suitability of senior officers and the verification of suitability published by the Integration Organization may not be members of the Supervisory Board.
- 15.4. The members of the Supervisory Board shall take part in the work of the Supervisory Board in person. The members of the Supervisory Board shall be independent from the Board of Directors of the Company and shall not be given orders in the course of their activity.
- 15.5. Members of the Supervisory Board may be removed from their post at any time and may be re-elected once their assignment has terminated. The rules on the termination of the mandate of senior officers pursuant to Section 3:25 of the Civil Code shall also apply to the termination of the membership of the Supervisory Board, however, the members of the Supervisory Board shall send their resignation to the Board of Directors of the Company.
- 15.6. The Supervisory Board shall elect a chairman out of its members.
- 15.7. If not excluded by a provision of the Articles of Association approved by the workers' council, one third of the members of the Supervisory Board, the representatives of the employees shall be appointed by the workers' council if the annual average headcount of full-time employees working for the Company exceeds 200 (two hundred) people.

The people appointed by the workers' council shall be elected to the Supervisory Board at the first General Meeting after their appointment unless statutory disqualifying reasons exist against the candidates.

- 15.8. The Supervisory Board shall hold its meetings as necessary, but at least every 3 months. The Chairman of the Supervisory Board shall be entitled to convene the meetings of the Supervisory Board anytime. Any member of the Supervisory Board is entitled to request the Chairman to convene the meeting of the Supervisory Board in writing, indicating the reason for and the goal of the meeting. Within 10 (ten) days after receiving the request, the Chairman shall arrange the organization of the meeting at a date within 30 (thirty) days. If the Chairman does not convene the meeting of the Supervisory Board as described above, the members of the Supervisory Board shall be entitled to do so. The Chairman of the Board of Directors or two members of the Board of Directors shall also be entitled to initiate the convening of the Supervisory Board.
- 15.9. The meetings shall be convened by the Chairman via invitation in electronic message or documentary form. The ~~Central Bank~~ **Integrational business management organization** and the Integration Organization shall be notified of the meeting of the Supervisory Board in advance, concurrently with sending the invitation to the members of the Supervisory Board, but at least 5 (five) business days prior to the meeting by sending them the materials as prescribed in this point. Referring to each agenda, the proposal and the related materials (if applicable) shall be attached to the invitation and sent by e-mail or in printed form to the members of the Supervisory Board, the ~~Central Bank~~ **Integrational business management organization** and the Integration Organization. With regards to issues not included in the agenda, the meeting shall be entitled to adopt a resolution only when all members, or the representative of the ~~Central Bank~~ **Integrational business management organization** or the Integration Organization is present at the meeting—or has the opportunity to participate by means of phone or video conference (by means of electronic communication)—, and consents to the discussion of the issue that is not included in the agenda. The representatives of ~~Central Bank~~ **Integrational business management organization** and the Integration Organization shall be entitled to attend the meeting of the Supervisory Board in a consultative capacity. The Supervisory Board cannot adopt any valid resolution if the above obligations are breached.
- 15.10. The quorum of the Supervisory Board shall be the presence of two third of its members, but at least 3 (three) members. The Supervisory Board adopts its resolutions by simple majority. The Supervisory Board does not have a quorum if the Integration Organization and the ~~Central Bank~~ **Integrational Business Management Organization** were not invited to the meeting of the Supervisory Board 5 business days prior to the meeting by sending the materials and proposals related to the items on the agenda and the invitation.
- 15.11. The Chairman of the Board of Directors, the CEO or his agent and the permanent auditor is entitled to attend the meeting of the Supervisory Board in a consultative capacity. At the request of the Supervisory Board, the permanent auditor shall be obliged to attend the meeting of the Supervisory Board. The Supervisory Board shall add the items suggested by the permanent auditor to the agenda.
- 15.12. Minutes shall be recorded during Supervisory Board meetings. The minutes shall include the following:
- place and date of the meeting,

- the name of members present,
- the proposals presented,
- the decisions made and protests raised against the decisions.

Supervisory Board members may request that their opinion be recorded in the minutes verbatim.

The minutes shall be signed by the Chairman of the Meeting and two attending Supervisory Board members. The minutes of the meeting of the Supervisory Board shall be sent to all Supervisory Board members (regardless whether he/she was present at the meeting or not) within 15 (fifteen) days of the date of the meeting.

- 15.13. Supervisory Board members may also participate at the meetings of the Supervisory Board by means of electronic communication. The detailed rules of the same are set out in the rules of procedure of the Supervisory Board.
- 15.14. The Supervisory Board may only adopt valid resolutions outside of the meeting—that is without convening and holding a meeting, via telephone, facsimile, electronic messages or similar ways—if the votes of more than half of the Supervisory Board members are recorded in a private document of probative value, which is forwarded to the Company’s registered seat within 2 (two) business days following the date on which the call for the adoption of a resolution outside of a meeting and the relating documents (the proposals and voting ballots in particular) are sent to the Supervisory Board members.

From what was set forth in point 15.9, the provisions concerning the prior notification of the Integration Organization and the ~~Central-Bank~~ **Integrational business management organization** shall also be applicable mutatis mutandis in cases of resolutions adopted outside of the meetings, provided that a panel meeting shall be held upon the request of the ~~Central-Bank~~ **Integrational business management organization** or the Integration Organization. The Supervisory Board cannot adopt any valid resolution if the above obligations are breached.

- 15.15. The Supervisory Board shall establish its own rules of procedure in the framework of the Articles of Association, which shall be approved by the General Meeting.
- 15.16. The Supervisory Board shall inspect the management of the Company. Consequently, it may ask for reports or clarification from the members of the Board of Directors and the employees of the Company, may examine the books and documents of the Company, or have them examined by an expert. The Company shall ensure that the Supervisory Board has access to the information on the risks threatening the credit institution, the risk control function and the opinion of external experts. Any member of the Supervisory Board may initiate the preparation of a report, or may ask for clarification at the meeting of the Supervisory Board orally, or outside of a meeting in writing, in a request addressed to the Chairman of the Supervisory Board and the Chairman of the Board of Directors. The requested report or clarification shall be sent in writing to the Chairman of the Supervisory Board within 15 days of the meeting of the Supervisory Board or the receipt of the written request. The Supervisory Board shall review the Company’s report prepared in accordance with the **International Financial Reporting Standards (“IFRS”)** in



~~accordance with the Act on Accounting~~, the recommendation concerning the utilization of results after tax, and any proposals concerning an issue within the competence of the General Meeting. The chairman of the Supervisory Board shall provide information on the results of the review. Without knowledge of the Supervisory Board's written report, the General Meeting may not adopt a valid resolution on ~~the report prepared in accordance with the Act on Accounting~~ the report prepared in accordance with the **IFRS** and the utilization of results after tax.

15.17. The duties of the Supervisory Board shall include—in addition to point 15.16—particularly the following:

- a) ensuring that the Company has a monitoring system that is suitable for comprehensive and effective operation;
- b) making proposals as to the audit organization and the remuneration thereof, as well as as to the auditor and the remuneration thereof based on the preliminary initiation of the management and the recommendations of the Audit Committee;
- c) monitoring the enforcement of the professional criteria as well as requirements related to conflict of interest and independence towards the auditor, performing tasks related to the cooperation with the auditor, monitoring the services provided by the auditor for the Company in addition to the audit of the Company's financial statements, prepared in accordance with the Accounting Act, and making proposals for the Board of Directors to take measures, where necessary;
- d) ~~evaluation of the report prepared in accordance with the~~ **International Financial Reporting Standards ("IFRS")** and monitoring the auditing process;
- e) auditing the Company's annual and interim financial reports (including the consolidated reports);
- f) evaluating the operation of the financial reporting system and making proposals for necessary measures;
- g) managing the internal audit organization, in the framework of which
  1. accepting the annual audit plan of the internal audit organization;
  2. discussing the reports prepared by the internal audit organization at least every six months and controlling the implementation of the required measures;
  3. If necessary, the Supervisory Board shall hire an external expert to support the work of the internal audit organization;
  4. making a proposal for changing the headcount of the internal audit organizational unit;
  5. decisions on the establishment and termination of the employment relationship of the leader of the internal audit organization and its employees as well as on the calculation of their remuneration require the prior consent of the Supervisory Board;
- h) preparing recommendations and proposals on the basis of the findings of audits conducted by the internal audit organization;
- i) discussing the Corporate Governance Report;
- j) monitoring the efficiency of the internal audit and risk management system;
- k) assisting the work of the Board of Directors for the proper inspection of the financial reporting system, and

- l) the acceptance and—review of the principles of the group-level Remuneration Policy;
- m) making decision on the remuneration of the members of the Board of Directors who perform their duties within the scope of employment relationship (except for honorarium).
- n) supervision of the remuneration of managers liable for internal audits, compliance and risk management.

15.18. Within 10 (ten) days of the Supervisory Board’s meeting, the Chairman of the Supervisory Board shall submit to the Supervisory Authority—and, within 15 (fifteen) days to the Integration Organization and the ~~Central Bank~~ Integrational business management organization—the minutes, proposals and reports pertaining to the agenda item, discussed by the Supervisory Board, the subject of which is the material breach of the Company’s internal policies or major infringement observed in the control or management of the Company.

15.19. The members of the Supervisory Board attend the General Meetings in a consultative capacity.

15.20. The Supervisory Board shall act as a body. It may share supervision amongst its members on a permanent basis. Sharing supervision does not affect the responsibility of the member of the Supervisory Board or his or her right to expand the supervision to other activities falling under the supervisory tasks of the Supervisory Board.

15.21. If the Supervisory Board believes that the activity of the Board of Directors infringes the law, the Articles of Association or the resolutions of the General Meeting or is against the interests of the Company or the shareholders in any other manner, the Supervisory Board shall convene the extraordinary General Meeting of the Company and shall make a proposal regarding the agenda of the same.

15.22. The Supervisory Board may request that the Meeting of the Board of Directors be convened and may propose adding certain items to the agenda.

## 16. The Audit Committee

16.1. The Audit Committee shall comprise of minimum 3 (three) and maximum 9 (nine) members. The members of the Audit Committee shall be elected by the General Meeting of the Company from among the independent members of the Supervisory Board, for a period not exceeding 5 (five) years.

16.2. The Audit Committee shall support the Supervisory Board in the monitoring of the financial reporting system of the Company as well as in the selection of and cooperation with the auditor. Accordingly, the scope of competence of the Audit Committee shall include:

- a) ~~evaluation of the report prepared in accordance with the~~ International Financial Reporting Standards (“IFRS”) and monitoring the auditing process;
- b) preparing a recommendation pertaining to the appointment of an auditor for the Supervisory Board;
- c) cooperation in preparing the contract to be concluded with the auditor;

- d) monitoring the enforcement of the professional requirements and conflict of interest restrictions towards the auditor, the performance of tasks related to cooperation with the auditor, especially supervising and monitoring the additional services provided by the auditor for the Company, and making proposals for the Supervisory Board to take measures, where necessary;
- e) evaluating the operation and monitoring the process of the financial reporting system, and making proposals for necessary measures;
- f) monitoring the efficiency of the internal audit and risk management system of the Company; and
- g) assisting the work of the Supervisory Board for the proper supervision of the financial reporting system.

16.3. The detailed rules of the operation of the Audit Committee are laid out in the rules of procedure thereof.

## 17. Permanent Auditor

- 17.1. The Company has a permanent auditor. The permanent auditor shall be selected by the General Meeting—in order to ensure the lawful operation of the Company and supervise the management—for a period of maximum 5 (five) years from the List of Auditors disclosed by the ~~Central Bank~~ **Integrational business management organization**. The term of the permanent auditor's mandate cannot be shorter than the period lasting from the election of the permanent auditor by the General Meeting to the acceptance of the following report by the General Meeting.
- 17.2. The permanent auditor shall not be mandated unless he/she fulfils the requirements specified in Section 260 (1)-(2) and (4)-(5) of the Credit Institutions Act, as well as the conditions laid out in Section 17/K (6)-(8) of the Integration Act. The Company may not appoint as permanent auditor the employees of the Supervisory Authority, or the close relatives of the same as set forth in Section 8:1 1 of the Civil Code.
- 17.3. The Board of Directors shall conclude the agency contract with the permanent auditor, in accordance with the terms and conditions and with the remuneration stipulated by the General Meeting, within 90 (ninety) days after the appointment or the election of the permanent auditor. The agency contract concluded with the permanent auditor shall reflect the permanent auditor's obligations arising from the Integration Act and these Articles of Association. If the contract is not concluded within the aforementioned deadline, the general meeting shall elect a new permanent auditor.
- 17.4. The same auditor may be appointed again to be the Company's auditor after the 4th (fourth) year following the expiry of the previous appointment. The auditor employed by the audit company (employee, senior officer, a member obliged to provide services in person) personally responsible for the performance of audit tasks at the Company may provide auditing services at the same credit institution for a term of five years maximum, and may be reappointed only after four years from the expiry of the previous appointment.

- 17.5. The permanent auditor shall not provide any services to the Company or develop such cooperation with the management which threaten the fulfilment of his/her responsibilities as an independent and objective auditor.
- 17.6. The permanent auditor shall be responsible for conducting the permanent audit at the Company in accordance with the rules, and on that basis adopting a position in an independent auditor's report on whether the Company's financial report prepared pursuant to ~~the Accounting Act~~ in accordance with the **International Financial Reporting Standards ("IFRS")** complies with relevant laws and whether it provides a true and fair view of the Company's assets, financial situation and income, profit and loss. This shall include in particular the following:
- a) being entitled to inspect the documents, books and records of the Company, to request information from senior officers, members of the Supervisory Board and the employees of the Company, and to audit the cashbook, securities, commodities, contracts and bank accounts of the Company;
  - b) examining the trueness and lawfulness of the Company's financial report prepared pursuant to the Act on Accounting, and presenting a report on the findings of such audit to the General Meeting;
  - c) examining all material business reports to be submitted to the General Meeting, and, in particular, the financial report prepared pursuant to the Act on Accounting and the statement of assets, from the aspect of their truthfulness, accuracy and compliance with the laws and regulations;
  - d) being entitled to inspect the documents, books and records of the Company, to request information from senior officers appointed pursuant to Section 3:21 (1) of the Civil Code, members of the Supervisory Board and the employees of the Company, and to audit the payment account, cashbook, securities, commodities and contracts of the Company;
  - e) being entitled to participate on the meetings of the Supervisory Board in consultative capacity; participating on the meeting of the Supervisory Board if requested by the Supervisory Board; and being entitled to request that the Supervisory Board add the matter proposed by the same to the agenda, and the Supervisory Board shall add such item to the agenda;
  - f) reporting certain cases specified in the Credit Institutions Act, in particular those in Section 142, to the Supervisory Authority;
  - g) if the permanent auditor notices any change in the assets of the Company that threatens the satisfaction of claims against the Company or a circumstance that involves the liability of the senior officers appointed in accordance with Section 3:21 (1) of the Civil Code or the members of the Supervisory Board for their activity carried out in their professional capacity, initiating that the management take actions to enable the decision-making by the member. If the initiative is unsuccessful, the permanent auditor shall notify the Court of Company Registration acting as a legal supervisor of the legal entity of the circumstances identified without delay.
- 17.7. The permanent auditor shall be invited to the General Meeting of the Company in which the financial report of the Company prepared pursuant to ~~the Accounting Act~~ in accordance with the **International Financial Reporting Standards ("IFRS")** is discussed. The permanent auditor shall attend this meeting, however, his/her absence does not prevent the holding of the meeting.

- 17.8. If the permanent auditor notices that the financial report of the Company does not comply with the laws or fails to provide a reliable, true and fair view of the assets, financial situation, income, as well as the profit and loss of the Company, he/she shall notify the Audit Committee, the Supervisory Authority, the Integration Organization and ~~Central Bank~~ **Integrational business management organization** of such findings, beyond the legal consequences specified by the law, within 3 (three) business days at the latest following the detection.
- 17.9. The auditor shall report to the Audit Committee any key issues arising in the course of the audit and in particular any significant deficiencies related to the internal audit financial reporting process.
- 17.10. The permanent auditor shall record his/her findings relating to the provisions of section 263 (1) of the Credit Institutions Act in a separate, additional report, and shall send it to the Company's Board of Directors, Chief Executive Officer, the Chairman of the Supervisory Board, the Supervisory Authority, as well as the ~~Central Bank~~ **Integrational business management organization** and the Integration Organization on or before 31 May of the year following the relevant year.

## **18. Asset controller**

- 18.1 The Board of Directors of the Company shall appoint an asset controller for ensuring the lawful operation of the Company and the continuous statutory inspection and verification of the collateral registry of the mortgage bonds issued by the Company. The appointment of the asset controller shall only be valid if permitted by the Supervisory Authority.
- 18.2 The asset controller may be appointed for a fixed term not exceeding five years, but may be appointed again once its original appointment has expired. The agency contract concluded between the Company and the asset controller may not be validly terminated without the consent of the Supervisory Authority.
- 18.3 The Company may not give instructions to the asset controller in its professional capacity.
- 18.4 The asset controller may inspect the books and other records of the Company that contain data necessary for the performance of its tasks and may request clarification regarding the performance of its tasks at any time. The Company shall inform the asset controller continuously about the principal and interest repayments of mortgage loans registered into the collateral registry, as well as any changes concerning the pledged items and additional collateral.
- 18.5 The asset controller shall be invited to the General Meetings of the Company, and may participate on such meetings in a consultative capacity.

## **19. CEO**

- 19.1 The CEO is an employee employed by the Company, and is the primary senior manager employee of the Company. The Board of Directors shall exercise the

employer's rights over the CEO, with the exception of employer's rights which fall within the exclusive competence of the General Meeting.

- 19.2 The CEO qualifies as a senior manager as defined in Section 6 (1) 122 of the Credit Institutions Act, therefore only those persons shall be elected to this position against whom no reasons for disqualification or conflicts of interest as specified in Section 137. (4)-(6) of the Credit Institutions Act exist and who comply with the conditions of the regulation on the suitability of senior officers and the verification of suitability published by the Integration Organization.
- 19.3 The CEO's rights related to the CEO's membership on the Board of Directors fall within the exclusive competence of the general meeting.
- 19.4 The CEO shall perform the management and controlling of the Company's daily, operative functions within the scope of employment relationship, while the tasks related to his/her membership in the Board of Directors within the scope of a corporate law relationship. Accordingly, the Labour Code shall apply to the employment relationship of the Chief Executive Officer, while the Credit Institutions Act and the provisions of the Civil Code shall apply to his/her election to the Board of Directors and his/her Board membership.
- 19.5 The Board of Directors and the CEO share the tasks as follows: the CEO shall manage and control the daily activity of the Company in compliance with the relevant laws and the Articles of Association of the Company, in accordance with the decisions taken by the General Meeting and the Board of Directors. The CEO shall be responsible for making a decision in cases which do not fall within the exclusive competence of the General Meeting or the Board of Directors. The aforementioned division of tasks does not affect the statutory liability of the Board of Directors and the Board Members.
- 19.6 The CEO shall exercise the employer's rights over the employees of the Company, except for those specified in point 14.19.5. b).

## **20. Procuration**

- 20.1 The joint signature of two persons is necessary for signing for the company (including disposing over the Company's bank account) and for assuming financial obligations related to the financial services, which can either be:
  - one internal and external Board Member jointly;
  - two internal Board Members jointly;
  - two executive directors (persons fulfilling the conditions set out in paragraph 115 of Article 6(1) of the Credit Institutions Act) jointly;
  - the joint signature rights of two internal Board Members and two executive directors can be transferred as joint signature rights in accordance with the applicable provisions of laws and the procedure set out in the internal policy approved by the Board of Directors of the Company.
- 20.2 Procuration involves that the persons authorized to sign for the Company sign their names over or under the hand-written or typed or pre-printed or printed text of the Company in accordance with the certified procuration declaration.

## MISCELLANEOUS PROVISIONS

### 21. Delisting shares from the stock exchange

The General Meeting may only make any decisions resulting in the delisting of the shares of the Company from the stock exchange (including decisions resulting in the deletion of the tranche of securities as a form of sanction) in cases specified in the applicable regulations of the capital market and stock exchange as may be in effect from time to time.

### 22. Legal disputes

- 22.1 Any legal disputes arising from these Articles of Association between the shareholders shall be submitted to the Court of Arbitration organized under the Hungarian Chamber of Commerce and Industry.
- 22.2 The Company shall also be entitled to apply to a court against the decision or order of the Board of Directors of the ~~Central Bank~~ **Integrational business management organization** pursuant to the Integration Act in accordance with the rules on the judicial review of company decisions. Application to court does not have a suspensive effect, therefore, the decision or order shall be implemented irrespectively, within the specified deadline.
- 21.3 The Company, as the recipient of the order or decision made by the Integration Organization, shall be entitled to apply to a court to decide whether the order or decision complies with the laws, other legislation, the policies and specific directives issued by the Integration Organization and other policies on integration. Application to court does not have a suspensive effect, therefore the decision or order shall be implemented irrespectively, within the specified deadline.

### 23. Notice

The Company shall publish its notices on its own website (~~www.takarek.hu~~) (**www.takarekjb.hu**), on the website operated by the Hungarian Central Bank ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and the website of the Budapest Stock Exchange. In the cases specified in the law or this Articles of Association, the Company shall publish some of its notices in the Company Gazette as well. The publication of the notices on the website of the Company shall replace all other disclosure obligations in the cases it is permitted by the legislation, and other relevant regulations.

### 24. Closing provisions

The Board of Directors in the competence of the General Meeting of Takaréék Mortgage Bank Public Company Limited by Shares adopted the amendments of the Articles of Association of the Company with its resolution no. 32/5/2020 (24.04.).

\* \* \*

These Articles of Association shall take effect on 17 June 2020.

*I hereby certify that this text of the Articles of Association consolidated and countersigned by me is in compliance with the effective content approved by the Board of Directors with resolution no. 32/5/2020 (24.04.).*

*These consolidated Articles of Association were consolidated pursuant to the second sentence of Section 51 (2) of Act V of 2006 on Public Company Information, Company Registration and Winding Up Proceedings and countersigned in Budapest, on 17 June 2020 by:*

Dr. Holobrádi Emese  
ügyvéd  
1075 Budapest, Rumbach S. u. 15/B.

dr. Emese Holobrádi

attorney

Bar identification number: 36061591



ANNEX NO. 1

PROXY

Upon the signing hereof, the undersigned \_\_\_\_\_, as the person(s) duly authorised to sign for/represent \_\_\_\_\_ (shareholder's name /company name) (registered office: \_\_\_\_\_; company registration number/registration number: \_\_\_\_\_; hereinafter the "Shareholder") registered in the stock register of **Takarék Mortgage Bank Public Company Limited by Shares** (Registered office: H-1117 Budapest, Magyar Tudósok körútja 9. G.épület; company registration number: 01-10-043638; hereinafter: the "Company")

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hereby authorise

\_\_\_\_\_  
(proxy's name)

(mother's name: \_\_\_\_\_; registered address: \_\_\_\_\_; personal ID No.: \_\_\_\_\_), to act on my behalf and exercise my shareholder's rights to the fullest extent on the annual ordinary / extraordinary General Meeting of the Company to be held on 20.... \_\_\_\_\_, and, in the absence of a quorum, on the repeated General Meeting to be held on the date and in the place specified in the notice of meeting.

\_\_\_\_\_, \_\_\_\_\_, 20...

\_\_\_\_\_  
representing the Shareholder

\_\_\_\_\_  
representing the Shareholder

Witnessed by:

Name:

Name:

Address:

Address:

Signature:

Signature:

ANNEX NO. 2

PROXY

Upon the signing hereof, I, the undersigned \_\_\_\_\_, as **Takarék Mortgage Bank Public Company Limited by Shares** (registered office: H-1117 Budapest, Magyar Tudósok körútja 9. G.épület; company registration number: 01-10-043638; hereinafter: the “**Company**”), hereby authorise

\_\_\_\_\_  
(proxy’s name)

(mother’s name: \_\_\_\_\_; registered address: \_\_\_\_\_; personal ID No.: \_\_\_\_\_), to act on my behalf and exercise my shareholder’s rights to the fullest extent on the annual ordinary / extraordinary General Meeting of the Company to be held on \_\_\_\_\_ 20..., and, in the absence of a quorum, on the repeated General Meeting to be held on the date and in the place specified in the notice of meeting.

\_\_\_\_\_, \_\_\_\_\_, 20...

\_\_\_\_\_  
representing the Shareholder

Witnessed by:

Name:

Name:

Address:

Address:

Signature:

Signature: