



FHB MORTGAGE BANK CO PLC

EXTRAORDINARY GENERAL MEETING OF THE
SHAREHOLDER'S

BUDAPEST

21 NOVEMBER 2016, 10 a.m.

**ANNOUNCEMENT
ON INVITATION TO EXTRAORDINARY GENERAL MEETING**

FHB Mortgage Bank Co Plc. (registered seat: H-1082 Budapest, Üllői út 82.; registration No.: 01-10-043638; registered by the Metropolitan Court as Court of Registration; hereinafter referred to as Company) hereby, in accordance with its legal obligation, informs the shareholders and the investors of the Company, that the Board of Directors of the Company passed the respective resolution of October 21, 2016 on calling the Extraordinary General Shareholder's Meeting (hereinafter referred to as General Meeting) of the Company – on request of the holder of shares of the Company representing at least one percent of votes.

The Board of Directors hereby calls the General Meeting as follows:

Date and time of the General Meeting:

21 November 2016 (Monday), 10.00 a.m. CET.
Registration for the General Meeting starts at at 8.30 a.m. CET 21 November 2016 (Monday)

Venue of the General Meeting:

Danubius Hotel Gellért
1111 Budapest, XI. kerület, Szent Gellért tér 1.

Agenda of the General Meeting:

1. Recall of member(s) of the Board of Directors and election of new member(s) of the Board of Directors
2. Recall of member(s) of the Supervisory Board and election of new member(s) of the Supervisory Board
3. Election of the member(s) of the Audit Committee
4. Decision on bearing the costs of the extraordinary General Meeting in accordance with Section 3:103 subsection (2) of the Civil Code
5. Miscellaneous

Method of holding the General Meeting

The General Meeting will be held with the direct attendance of the shareholders.

Requirements for participation in the General Meeting and exercising voting rights

- A Pursuant to Article 12.1 of the Statutes of the Company, each series "A" ordinary share with a face value of HUF 100, i.e. One-hundred Hungarian Forints, entitles its shareholder to have one vote, each Series "B" dividend preference share with a face value of HUF 100, i.e. One-hundred Hungarian Forints, shall not give right to vote, and each Series "C" ordinary share with a face value of HUF 1,000, i.e. One-thousand Hungarian Forints, entitles its shareholder to have ten votes at the General Meeting.
- B Each shareholder can exercise his/her shareholder's rights attached to the respective shares on the General Meeting only in case he/she is the owner of the shares on the effective date of the identification procedure (in Hungarian: *„tulajdonosi megfeleltetés"*), as specified in Act V of 2013 on Civil Code (hereinafter referred to as Civil Code) and Act CXX of 2001 on Capital Markets (hereinafter referred to as Capital Markets Act) and in the Rules of the Central Clearing House and Depository (Budapest) Ltd. (hereinafter referred to as KELER Zrt.), and whose name is registered – as at 18.00 p.m. CET on the second working day preceding the commencement date of the General Meeting (the closure of the register of shareholders) – in the register of shareholders.

- C The Company requests KELER Zrt. to conduct an identification procedure on the date of the General Meeting as a corporate event. The effective date of the identification procedure will be **14 November 2016**, while the closing time of the register of shareholders is **18.00 p.m. on 17 November 2016 CET**. Rules of the identification procedure are set out in the up-to-date version of the internal general regulations of KELER Zrt..
- D The Company deletes all effective data being registered in the register of shareholders on the date of the identification procedure, and simultaneously it registers the data into the register of the shareholders according to the result of the identification procedure, then the Company closes the register of the shareholders on the 2nd day proceeding the General Meeting. After the closure of the register of the shareholders, data affecting the ownership rights of a shareholder can be registered into the register of shareholders only on the successive working day of the closure of the General Meeting, at the earliest.
- E The closure of the register of shareholders does not limit the right of any shareholder being entered therein to transfer his/her shares after such closure. Alienation of shares before the day of opening of the General Meeting does not exclude the right of the respective shareholder registered in the register of the shareholders to participate at the General Meeting and to exercise his/her rights attached to his/her shares.
- F Each shareholder registered in the Company's register of shareholder on the effective day of the identification procedure may exercise the rights personally or by proxy (through a representative) or through a nominee under the Civil Code and the Capital Markets Act. Any member of the Board of Directors, any member of the Supervisory Board and any senior employee of the Company may be representative only in case he/she is instructed as representative by an unambiguous written instruction on voting on each proposal for resolution given by the respective shareholder. The Auditor and the Coverage Supervisor of the Company may not be authorized representatives. The authorization for representation shall be valid for one general meeting, or for a definite term not exceeding 12 (twelve) months. The authorization for representation will remain valid for the continued General Meeting in case of suspension and for a General Meeting called repeatedly due to a lack of quorum. The authorization shall be submitted to the Company in the form of notarial deed or private deed with full probative effect. In case of shareholders other than natural persons, powers of representation of the person(s) signing the power of attorney or representing the shareholder at the general meeting shall be certified by the presentation of appropriate original documents issued by a public register or authority (e.g. certificate of incorporation) and by an original version or by a copy certified by a public notary of an authentic statement of signature (certified by a notarial act of a public notary) or a signature specimen countersigned by an attorney-at-law. If the certification of the power of representation is prepared in any language other than Hungarian a certified Hungarian translation thereof shall be attached. The shareholder may also appoint a proxy to represent him/her at the General Meeting by returning the form as contained in Annex 1 or Annex 2 of the Statutes of the Company and sent – in case of expressed request of the shareholder - by the Company electronically or by mail. The form shall be returned to the Company as a private deed with full probative effect not later than the end of the working day preceding the day of the General Meeting. In case such authorization is made abroad, the form of the authorization is to be complied with legal regulations on certification or re-certification of documents made abroad.
- G Each shareholder has the right to participate in, request information and to make remarks on the General Meeting. Shareholders are entitled to attend the general meeting, request information and make observations. The Board of Directors may require the applicant shareholder to sign a non-disclosure agreement as a condition of complying with the request for information or access to documents. The Board of Directors may decline a request for information or access to documents, if it would violate any business, bank, security, or other similar secret of the Company, if the applicant exercises his or her right in an abusive manner or fails to sign a non-disclosure agreement upon request. If shareholders who hold at least one percent of the votes notify the Board of Directors about their proposal for the amendment of the agenda – with all the details required for items of the agenda – or about a draft resolution relating to an item on, or to be added to, the agenda within eight days after publishing the announcement of calling the General Meeting, the Board of Directors shall publish an announcement regarding the updated agenda or the draft resolution proposed by the shareholders after being notified about the proposal. The issue specified in the announcement shall be deemed as put on the agenda.

- H Provided that the requirements of attending the General Meeting and exercising of voting rights are met, the shareholder or his/her authorized representative may request the electronic or other device for casting votes on the venue of the General Meeting, after proving his/her identity and signing the attendance sheet.

Quorum;

Venue and Date of the Repeated General Meeting in case of being inquorate

Pursuant to article 11.8 of the Statutes, the General Meeting shall have a quorum, if the shareholders in attendance represent more than half of the votes of the voting shares. If the General Meeting does not have a quorum, the Company will hold the repeated general meeting convened by the present Announcement **on the venue of the original General Meeting on 5 December 2016 (Monday) at 10.00 a.m. CET**. The repeated general meeting shall have a quorum in respect of the items of the agenda of the original General Meeting, regardless of the number of attendees. Separate registration is required for the repeated general meeting, which starts at 5 December 2016 (Monday) at 8.30 a.m. CET.

Disclosure of written materials and proposals for resolutions for the General Meeting

In accordance with Section 11.4 of the Statutes of the Company, the Board of Directors of the Company will publish the material data of the reports and documents prepared according to the Accounting Law and written presentation relating to the respective items of the agenda of the General Meeting at least 21 (twenty-one) days prior to the date of the General Meeting. The disclosure will be made both in Hungarian and in English - in line with the provisions of the Statutes of the Company regarding the publication of announcements - on the official homepage of the Company (www.fhb.hu), on the web-based publication forum operated by the Hungarian Central Bank (www.kozzetetek.hu), furthermore on the official home page of Budapest Stock Exchange (www.bse.hu). After the publication, the written materials relating to the items of the agenda of the General Meeting will be available at the head office of the Company, and at the central customer service office of KELER Zrt. (H-1074 Budapest, Rákóczi út 70-72., R-70 Irodaház).

FHB Mortgage Bank Co. Plc.

EXTRAORDINARY GENERAL MEETING OF FHB CO. PLC.

Agenda item No. 1.

Recall of member(s) of the Board of Directors and election of new member(s) of the Board of Directors

PROPOSAL**Recall of member(s) of the Board of Directors and election of new member(s) of the Board of Directors**

To Agenda item No. 1. of the General Meeting of FHB Mortgage Bank Co. Plc. (hereinafter referred to as: Company) to be held on 21 November 2016 a holder of shares representing at least one percent of votes of the Company submitted the following proposed resolutions to the Company on 29 October 2016:

**PROPOSED RESOLUTION
to Agenda item No. 1.**Proposed resolution regarding the recall of members of the Board of Directors:

The shareholder suggests recalling – with one resolution – from the date of passing the resolution or from the day on which the election of the new members of the Board of Directors becomes effective the following members of the Board of Directors of the Company:

- Mr. Gyula Köbli
- Dr. Christian Riener
- Mr. Gábor Gergő Soltész
- Mr. Ákos Starcz
- Mr. Márton Oláh
- Mr. Zoltán Kovács

Proposed resolution regarding the election of members of the Board of Directors:

The shareholder suggests electing – with separate resolutions – for a definite period of 5 years from the date of passing the resolutions or from the receipt of the relevant permissions of the Magyar Nemzeti Bank (the central bank of Hungary)¹ as members of the Board of Directors:

- Dr. Erik Landgraf (internal member)
- Mr. Márton Oláh (internal member)
- Mr. Attila Mészáros (external member)
- Mr. Gábor Gergő Soltész (external member)
- Mr. József Vida (external member)

The shareholder supplements the proposal with the personal data of the proposed persons necessary for the election on the extraordinary General Meeting.

¹ In case the relevant permissions of the Magyar Nemzeti Bank are not issued till the date of the General Meeting

EXTRAORDINARY GENERAL MEETING OF FHB CO. PLC.

Agenda item No. 2.

Recall of member(s) of the Supervisory Board and election of new member(s) of
the Supervisory Board

PROPOSAL**Recall of member(s) of the Supervisory Board and election of new member(s) of the Supervisory Board**

To Agenda item No. 2. of the General Meeting of FHB Mortgage Bank Co. Plc. (hereinafter referred to as: Company) to be held on 21 November 2016 a holder of shares representing at least one percent of votes of the Company submitted the following proposed resolutions to the Company on 29 October 2016:

**PROPOSED RESOLUTION
to Agenda item No. 2.**Proposed resolution regarding the recall of members of the Supervisory Board:

The shareholder suggests recalling – with one resolution – from the date of passing the resolution or from the day on which the election of the new members of the Supervisory Board becomes effective the following members of the Supervisory Board of the Company:

- Csaba Lantos (Chairman, member of the Audit Committee)
- István Sebestyén (member of the Audit Committee)
- Miklós Szabó (member of the Audit Committee)
- Tibor Kádár (member of the Audit Committee)

Proposed resolution regarding the election of members of the Supervisory Board:

The shareholder suggests electing – with separate resolutions – for a definite period of 5 years from the date of passing the resolutions or from the receipt of the relevant permissions of the Magyar Nemzeti Bank (the central bank of Hungary)¹ as members of the Supervisory Board:

- Dr. Kadosa Antal
- Dr. Zsolt Harmath
- Dr. Mónika Kovács
- György Pórfy
- Dr. Balázs Reiniger

The shareholder supplements the proposal with the personal data of the proposed persons necessary for the election on the extraordinary General Meeting.

¹ In case the relevant permissions of the Magyar Nemzeti Bank are not issued till the date of the General Meeting

EXTRAORDINARY GENERAL MEETING OF FHB CO. PLC.

Agenda item No. 3.

Election of the member(s) of the Audit Committee

PROPOSAL
Election of the member(s) of the Audit Committee

To Agenda item No. 3. of the General Meeting of FHB Mortgage Bank Co. Plc. (hereinafter referred to as: Company) to be held on 21 November 2016 a holder of shares representing at least one percent of votes of the Company submitted the following proposed resolutions to the Company on 29 October 2016:

PROPOSED RESOLUTION
to Agenda item No. 3.

The shareholder suggests electing – with separate resolutions – from the date of their effective election as Supervisory Board members as members of the Audit Committee:

- Dr. Kadosa Antal
- Dr. Zsolt Harmath
- György Pórfy

The shareholder supplements the proposal with the personal data of the proposed persons necessary for the election on the extraordinary General Meeting.

EXTRAORDINARY GENERAL MEETING OF FHB CO. PLC.

Agenda item No. 4.

Decision on bearing the costs of the extraordinary General Meeting in accordance with Section 3:103 subsection (2) of the Civil Code

Proposal

Decision on bearing the costs of the extraordinary General Meeting in accordance with Section 3:103 subsection (2) of the Civil Code

The convocation of the present extraordinary General Meeting was initiated by holder of shares of the FHB Mortgage Bank Co. Plc. (hereinafter: "Company") representing at least one percent of votes, who also covered the expected cost of the General Meeting according to Section 3:103 Subsection 2 of the Civil Code. Based on the same rules, the General Meeting shall decide though, whether the costs incurred be borne by the Company or the shareholder who convened the meeting.

The shareholder convened the extraordinary General Meeting of the Company because of the changes in the shareholders' structure and the members of the Board of Directors in the Company, so that the management and the supervision of Company on behalf of the shareholders shall be settled. The reasons for and the purpose of the convocation are in the interest of all shareholder, thus the costs cannot be borne by only one shareholder.

Based on the aforementioned, the Board of Directors suggests to the General Meeting that the costs shall be borne by the Company.

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

**PROPOSED RESOLUTION
to Agenda item No. 4**

1. *The General Meeting decides so that the costs of the extraordinary General Meeting held on 21 November 2016 shall be borne by the Company.*
2. *The General Meeting requests the management of the Company to settle the costs with the shareholder who covered the costs.*

EXTRAORDINARY GENERAL MEETING OF FHB CO. PLC.

Agenda item No. 5.

Miscellaneous