

## **ANNOUNCEMENT ON INVITATION TO ANNUAL 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 on its meeting of 24 March 2017 on calling the Annual Regular General Shareholder's Meeting (hereinafter referred to as General Meeting) of the Company.

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

### **Date and time of the General Meeting:**

26 April 2017 (Thursday), 14.00 a.m. CET.

Registration for the General Meeting starts at 12.30 a.m. CET. 26 April 2017 (Thursday)

### **Venue of the General Meeting:**

Danubius Hotel Gellért  
(H-1111 Budapest, Szent Gellért tér 1.)

### **Agenda of the General Meeting:**

1. Report of the Board of Directors on the business activities, financial position, business policy and management of the Company in the year 2016
2. Report of the Supervisory Board on the financial reports of the Company on the year 2016 in accordance with Hungarian accounting standards and International Financial Reporting Standards („IFRS”) (consolidated)
3. Report of the Auditor on the financial reports of the Company on the year 2016 in accordance with Hungarian accounting standards and International Financial Reporting Standards („IFRS”) (consolidated)
4. Acceptance of the
  - i. business report,
  - ii. financial statements (balance sheet report, profit and loss account, additional notes) of the Company as a bank as prescribed by the Hungarian accounting standards,
  - iii. decision on the utilization of the after tax profit,furthermore, the consolidated
  - i. business report,
  - ii. financial statement according to the International Financial Reporting Standards for the year 2016
5. Acceptance of the Report on Corporate Governance
6. Decision on the granting of discharge of liability for the executive officers considering the suitability of their activity performed in the business year of 2016
7. Report of the Supervisory Board on the fulfilment of conditions of the Share Option Programme of the Management in 2016
8. Amendment of the Statutes of the Company
9. Authorization of the Board of Directors to acquire own shares (in Hungarian: „saját részvény”)
10. Decision on the remuneration of members of the Board of Directors and the Supervisory Board
11. Amendment of the remuneration guidelines
12. Approval of the amendment of the Rules of Procedure of the Supervisory Board
13. Recall of member(s) of the Board of Directors and election of new member(s) of the Board of Directors
14. Recall of member(s) of the Supervisory Board and election of new member(s) of the Supervisory Board
15. Recall of member(s) of the Audit Committee and election of the new member(s) of the Audit Committee
16. 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 of a face value of HUF 100 (say One hundred Hungarian forints) shall give right to one vote, Series “B” dividend preference shares of a face value of HUF 100 ( say One hundred Hungarian forints) shall not give right to vote, and each Series “C” ordinary share of a face value of HUF 1,000 (say One thousand Hungarian forints) shall give right to 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 KELER Ltd., 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 Ltd. 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 **19 April 2017**, while the closing time of the register of shareholders is **18.00 p.m. on 24 April 2017** CET. Rules of the identification procedure are set out in the up-to-date version of the internal general regulations of KELER Ltd.
- 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 2<sup>nd</sup> 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 attended shareholders 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 **8 May 2017 (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 9 May 2016 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](http://www.fhb.hu)), on the web-based publication forum operated by the Hungarian Central Bank ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)), furthermore on the official home page of Budapest Stock Exchange ([www.bse.hu](http://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 Ltd. (H-1074 Budapest, Rákóczi út 70-72., R-70 Irodaház).

**FHB Mortgage Bank Co Plc.**