

**Proposal on the amendment of Article 9 Section 4, Article 9 Section 13  
Subsection b) point ii.), Article 10 Section 2, Article 12/A Section 3, Article 12/A  
Section 4 and Article 13 Section 4 of the OTP Bank Plc.'s Articles of  
Association**

**Summary of the proposals**

The amendments related to the sections of the Articles of Association (hereinafter: AoA) listed below:

- 1.) Amendments related to Act V of 2013 on the Civil Code (hereinafter: Civil Code)**  
(AoA [Article 13 Section 4])
  
- 2.) Amendments that are of a clarifying nature or that are advisable for practical reasons**  
(AoA [Article 9 Section 4, Article 9 Section 13 Subsection b) point ii.), Article 10 Section 2, Article 12/A Section 3, Article 12/A Section 4])

**Presentation of the amendment proposals**

The text of the AoA is written in Times New Roman font; the new parts of the text are indicated by underlining, and the ~~deleted parts~~ by cross-through.

**It is proposed for the General Meeting to pass separate resolutions on the proposals which can be linked together based on their subject.**

## Detailed amendment proposals

### 1. AMENDMENTS RELATED TO ACT V OF 2013 ON THE CIVIL CODE [AOA ARTICLE 13 SECTION 4]

#### 1.1. [Modification in connection with the provision on the Payment of dividends]

[Reports of the Company and the distribution of profit]

*13.4. Shareholders are entitled to receive a dividend from the Company's available profit reserves supplemented by the previous financial year's after-tax profit ~~from the part of the Company's after-tax profit, or after-tax profit supplemented with available profit reserves,~~ that has been set aside by the General Meeting for distribution among the shareholders.*

#### **Reasoning:**

The new accounting requirements (international reporting obligations) formulated by the Act CI of 2000 on accounting and modification of certain financial acts, "omnibus", modified not only the Act C of 2000 on accounting, but also in connection with its amendments modified the Civil Code as well and involved it among the financial acts.

According to the paragraph 3:261.§ (1) of the Civil Code: compared to previous legislation, the limited company shall pay dividend not from the taxed profit for the current year or from the taxed profit for the current year supplemented by the unified retained earnings to a shareholder, but from the unified retained earnings supplemented by the previous financial year's after-tax profit.

The reason behind the legislative change is that in the future profit has to be displayed at the accounting reports at the date of the decision and not at the financial report (profit and loss account) of the year in connection it was approved. Therefore, the former profit loss item according to the balance sheet will be ceased, and the profit and loss account will contain the derivation of profit after tax.

The modified provisions are not applied to the financial report for the year 2015, it has to be applied first for the financial report for the year 2016. Since it is about adaptation of the existing legislation, and the financial report for the year 2016 will be prepared considering these new provisions, it is justifiable to overwrite these changes in the Articles of Association as well.

**2. AMENDMENTS THAT ARE ADVISABLE FOR PRACTICAL REASONS**  
[AOA ARTICLE 9 SECTION 4, ARTICLE 9 SECTION 13 SUBSECTION B) POINT II.), ARTICLE 10  
SECTION 2, ARTICLE 12/A SECTION 3, ARTICLE 12/A SECTION 4]

**2.1. [Expansion of the number of the Vice-Chairmen substituting the Chairman of the Board]**

[The Board of Directors]

*9.4. The Board of Directors elects a Chairman and, may elect one or more Deputy Chairmen, from among its own members, whose period of office shall be equal to the mandate of the Board of Directors. The Chairman of the Board of Directors is also the Chief Executive Officer (Chairman & CEO) of the Company.*

*9.13. b) The following, in particular, come under the exclusive authority of the Board of Directors:*

*ii.) election of one or more Deputy Chairmen of the Board of Directors;*

[Chairman & CEO]

*10.2. If the Chairman & CEO is incapacitated, the nominated Deputy Chairman (or designated member of the Board of Directors) may substitute for the Chairman & CEO in his capacity as Chairman, and the Deputy CEO may substitute for him in his capacity as chief executive officer, although the substitution rights shall not extend to the exercising of employer rights.*

***Reasoning:***

The amendment proposal affects sections 9.4., 9.13. b) ii) and 10.2. of the Articles of Association. According to the effective Articles of Association the Chairman & CEO may be substituted by the Deputy CEO in his capacity as chief executive officer.

The complexity of the Company related tasks of the director has increased significantly due to the continuously recovering business activity of recent times, the complexity of the regulations of the Hungarian financial institutions and the significant number of the OTP Bank Group (out of 130 bank group members there are 8 foreign financial group as well). The aim of the proposal is to ensure the effective operation of the Board of Directors.

## 2.2. [Making the regulations of the Articles of Association related to the executive officers more flexible]

[Executive officers of the Company]

*12/A.3. An executive officer may be elected as a senior office holder or member of the Supervisory Board in a business entity whose designated core activity is the same as the Company's core activity, if the Company has a qualified holding as defined in the Credit Institutions Act, in the business entity concerned, or in case of the prior consent of the Board of Directors of the Company.*

*12/A.4. An executive officer may not – with the exception of the acquisition of a stake in a publicly held joint stock company – acquire a shareholding in another business entity whose designated core activity is the same as the Company's core activity, unless the Board of Directors of the Company gives its prior consent.*

### **Reasoning:**

The new Civil Code contains the basic corporate rules which generally establish the possibility for the companies to deviate from the provisions of Civil Code as long as the Civil Code or any other legislation does not prohibit it. The aim of the deviation is to ensure the flexibility of the Company. Accordingly, it is recommended to implement, instead of the strict rules of the Articles of Association regulating conflict of interest situations relating to the members of the Board of Directors, the members of the Supervisory Board and the executive officers, restrictive regulations which allow deviation from the restriction with the consent of the Board of Directors. Such a policy can create more flexibility along with the protection of the interests of the Company.

Accordingly, it would be allowed in the future – in case the Board of Directors gave its prior consent – that

- (i) an executive officer of OTP Bank to be elected as executive officer or member of the supervisory board in another business organization having the same main business activity as the main activity of OTP Bank, furthermore
- (ii) an executive officer of OTP Bank acquires shares in another business organization having the same main business activity as the main activity of OTP Bank (even if the other business organization is not a public limited company).

***Text of resolution proposals:***

*The General Meeting decides on the proposals which can be linked together based on their subject, relating to the amendment of its Articles of Association by way of separate resolutions, as follows:*

- (i) Firstly, the General Meeting decides on the amendment of sections 9.4., 9.13. b) ii) and 10.2 of the Articles of Association by way of a separate resolution,*
- (ii) secondly, the General Meeting decides on the amendment of sections 12/A.3. and 12/A.4. of the Articles of Association by way of a separate resolution,*
- (iii) thirdly, the General Meeting decides on the amendment of section 13.4. of the Articles of Association by way of a separate resolution.*

***Text of resolution proposals:***

*The General Meeting approves the amendment of sections 9.4, 9.13. b) ii.), 10.2. of the Articles of Association in accordance with the proposal of the Board of Directors, as per the annex to the minutes of the General Meeting.*

***Text of resolution proposals:***

*The General Meeting approves the amendment of sections 12/A.3.; 12/A.4. of the Articles of Association in accordance with the proposal of the Board of Directors, as per the annex to the minutes of the General Meeting.*

***Text of resolution proposals:***

*The General Meeting approves the amendment of section 13.4. of the Articles of Association in accordance with the proposal of the Board of Directors, as per the annex to the minutes of the General Meeting.*