

# Proposal to modify the Bylaws of OTP Bank Plc.

## Summary of proposals

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## Typesetting of the recommendations

The text of the Bylaws is written in Times New Roman font, the new text is marked with double underlining, and the deleted text is marked with ~~strikethrough~~.

**We recommend that the General Meeting vote separately on the two proposals to amend the Bylaws.**

## Text of the proposal:

“The General Meeting makes a decision on the amendment of the Company’s Bylaws by passing separate resolutions in respect of the two combined recommendations contained in the proposal of the Board of Directors.”

## Motion 1

### 1. Creating the option to cast votes with the help of a machine (section 8.8., 8.22. and 8.24. of the Bylaws)

8.8. Voting in the General Meeting is done with the help of a computer, with a voting machine. The shareholder or his/her representative, if his/her participation is lawful in accordance with the provisions of these Bylaws, may receive his/her voting machine ~~voting book~~ after having certified his/her identity and having signed the attendance register at the place where the General Meeting is held. If due to technical reasons voting is not possible with the voting machine, the voting will take place with the help of voting books.

8.22. Prior to opening the General Meeting, shareholders in possession of a voting machine ~~voting book~~ may notify the Chairman of the General Meeting in writing if they wish to speak in relation to any item on the agenda during the General Meeting. The comments made by the shareholders must pertain to the subject matter of the indicated agenda item. The Chairman of the General Meeting must grant the right to speak to those who requested this in the above-mentioned manner.

8.24. The Chairman of the General Meeting may decide to hold the meeting behind closed doors and may exclude anyone from the meeting except for the members of the Board of Directors, the senior executives specified in the Credit Institutions Act, the Members of the Supervisory Board, the auditor, shareholders in possession of voting machines ~~voting books~~ and the authorised representatives and interpreters of such shareholders, as well as the representative of the Supervisory Authority and the Budapest Stock Exchange.

#### **Explanation of section 1 of motion 1**

*The proposed amendment serves the purpose of modernising voting and adopting a voting machine-based technique. So that this may become a reality as early as at the time of the General Meeting to be held in 2010, the Board of Directors moves that after the technical resolutions pertaining to the process of the General Meeting (e.g. the election of the vote counting committee) are accepted, the shareholders should make a decision first about the amendment of the Bylaws which then allows voting by machine. At the same time, the amendment also allows for voting to be conducted with voting books in the future if computer-based voting is not possible for technical reasons. After this amendment to the Bylaws is accepted, OTP Bank Plc. and the shareholders will vote with a machine at the General Meeting to be held in 2010, since the shareholders and their representatives will receive the necessary voting machine (Voting Terminal) at the time of registration.*

## 2. Expanding the circle of persons who may act as authorised representatives of the shareholders (section 8.3. of the Bylaws)

8.3. Shareholders may exercise their right to participate in and to vote at the General Meeting in person or through an authorised representative. The authorisation must be presented in the form of a notarised document or a private deed bearing full probative force, and a copy must be handed over at the place and during the time period specified in the announcement of the General Meeting. ~~Members of the Board of Directors, the Supervisory Board and senior executives cannot act as a representative.~~

## 3. Cancelling the obligation to block shares for the general meeting (sections 8.4. and 8.5. of the Bylaws)

8.4. The Company requests Központi Elszámolóház és Értéktár Zártkörűen Működő Részvénytársaság (Central Clearinghouse and Depository Budapest Ltd.) (hereinafter: Keler Zrt.) to identify the owners for the ~~date~~ purposes of the General Meeting, which is a corporate event. The date of identifying the owners may fall only between the ~~10.~~ 7<sup>th</sup> (seventh) and 5<sup>th</sup> (fifth) trading days prior to the General Meeting. The rules of owner identification are contained in the effective regulations of Keler Zrt.

The Company, at 12 p.m. Budapest time on the second working day before the General Meeting ~~deletes all data in the sShare Register that is effective at the time of the owner identification and at the same time registers the results of the owner identification into the sShare Register and closes it at 12 p.m. Budapest time on the second working day before the General Meeting~~ with the results of the owner identification. Afterwards entries into the sShare Register concerning the shares of shareholders may be made no earlier than on the working day after the gGeneral Meeting is closed.

8.5. A condition of participating in the General Meeting and exercising the voting right based on a given share is the following

- a.) the possession of a share at the time of the owner identification is certified through the result of the owner identification,
- b.) ~~(deleted) the shareholder must block the shares on the basis of which he/she intends to vote at the General Meeting for a period starting on the day of owner identification and ending on the day following the general meeting,~~
- c.) the holder of the share must be registered in the Company's Share Register until it is closed as specified in section 8.4., and
- d.) the shareholder's possession of shares and/or voting rights does not violate the provisions of the statutory regulations or of these Bylaws, which is determined by the Company through a review.

Transferring the share prior to the start of the General Meeting does not exclude the right of a person who is registered in the Share Register in accordance with the provision of section 8.4 to participate in the General Meeting and to exercise shareholders' rights.

#### 4. Registering the right of minority shareholders to submit a motion (section 8.11. of the Bylaws)

8.11. Shareholders representing at least 1% of the votes may ask the Board of Directors, by indicating the reason, to put on the agenda of the convened General Meeting a particular issue. The minority shareholders may exercise this right within eight days after the announcement of the General Meeting. The Board of Directors must put the motion on the agenda of the General Meeting and publish it within eight day in accordance with Article 15.

Shareholders representing at least 1% of the votes may submit in writing a motion to the Board of Directors in respect of the agenda item that was announced in the invitation or was submitted by the shareholders in writing to the Board of Directors in accordance with the provisions of this section. The minority shareholders may exercise this right within eight days after the announcement of the General Meeting is published. The Board of Directors announces the motion in accordance with Article 15, and the Chairman of the General Meeting puts it to a vote at the General Meeting under the relevant agenda item. If the General Meeting accepts one of the conflicting motions pertaining to the same agenda item, the other motions that contradict the accepted motion do not have to be put to a vote.

#### 5. Expanding the content of the invitation (section 8.14. of the Bylaws)

8.14. The invitation must contain the following

- a.) the Company's name and registered seat;
- b.) the date and place of the General Meeting;
- c.) the manner in which the General Meeting will be held;
- d.) the agenda of the General Meeting;
- e.) the provisions contained in section 8.5. of these Bylaws with the warning that participation and voting at the General Meeting is subject to these provisions;
- f.) information about the place and date of handing over authorisations;
- g.) the place and date of the reconvened General Meeting if there is no quorum,-
- h.) the date of the owner identification and the closing of the Share Register.
- i.) a condition for exercising the shareholder's rights is that the shareholder must be listed in the Share Register when the Share Register is closed, but afterwards the shares may be freely traded without affecting the exercisability of the shareholder's rights at the General Meeting.
- j.) the conditions specified in the Bylaws pertaining to exercising the shareholder's right to request information.
- k.) the conditions specified in the Bylaws pertaining to the shareholder's right to add items to the agenda of the General Meeting, and
- l.) information pertaining to the time, place and manner of accessing the proposals and motions on the agenda of the General Meeting (including the address of the Company's website).

### **Explanation of sections 2-5 of motion 1**

Sections 2-5 of the motion introduce to the Bylaws the amendments prescribed in Act IV of 2006 on Economic Associations (Companies Act), and Act CXXI of 2009 on the amendment of Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings (hereinafter: **Amendment Act**). The primary purpose of the Amendment Act is to transpose Directive 2007/36/EC of the European Parliament and of the Council on the exercising of certain rights of shareholders in listed companies in order to strengthen shareholders' rights and to find a solution for problems related to voting across borders. According to Article 14 (4) of the Amendment Act, OTP Bank Plc. must reconcile its Bylaws with the provisions of the Amendment Act by 31 May 2010.

#### **6. Clarification of the provision on qualified majority (section 8.26. of the Bylaws)**

8.26. In the qualified cases that are listed in section 8.33., the General Meeting must accept the motion if at least a three-quarters majority of the attending shareholders vote for it. ~~in the qualified cases listed in section 8.33~~

### **Explanation of section 6 of motion 1**

The motion, in accordance with Article 236 of the Companies Act, clarifies the rule, which has anyway been unequivocally applied until now, whereby at least a three-quarters majority vote of the shareholders attending the General Meeting is required for accepting a motion in the qualified cases listed in section 8.33.

#### **7. Clarification of the conflict-of-interest rules (sections 12/A.2., 12/A.3. and 12/A.4. of the Bylaws)**

12/A.2. Senior officers must immediately notify the Chairman & CEO if:

- a.) he/she has a qualifying holding as defined in the Credit Institutions Act, an influencing or a controlling stake in any company;
- b.) his/her close relative has a qualifying holding as defined in the Credit Institutions Act, an influencing or a controlling stake in any company;
- c.) after his/her appointment, an event occurred that disqualifies him/her from serving as a senior officer.

12/A.3. A senior officer may be elected senior officer or member of the Supervisory Board in a company ~~that also conducts business activities that are identical with that of the Company~~ whose designated core activity is the same as the Company's core activity if the Company holds ~~an influencing stake~~ a qualifying holding, as defined in the Credit Institutions Act, in the enterprise-business entity concerned.

12/A.4. Senior officers may not acquire a stake in another business entity whose designated core activity is the same as that of the Company, with the exception of acquiring shares in a public limited company.

### **Explanation of section 7 of motion 1**

*The motion clarifies cases of conflict of interest concerning OTP Bank Plc.'s senior officers in accordance with the wording and explanations of Act IV of 2006 on Economic Associations (Companies Act) and Act CXXI of 2009 on the amendment of Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings (Public Company Information Act). With respect to the provisions of the Companies Act and the Public Company Information Act, business entities do not have to list all their activities in the articles of association (bylaws), and a company's core activity is the activity that can be identified with a high degree of certainty from the company's official documents. Consequently, conflicts of interest must also be regulated within this scope. In the Credit Institutions Act, the term "influencing stake" has been replaced by "qualifying holding" which should therefore be amended accordingly in the Bylaws and, in addition, with respect to the new concept we must clearly specify that a qualifying holding is to be understood as the qualifying holding defined in the Credit Institutions Act and not as the influence securing a qualified majority as defined in the Companies Act.*

### **Text of the proposal:**

"The General Meeting accepts the amendment of sections 8.3., 8.4., 8.5., 8.8., 8.11., 8.14., 8.22., 8.24., 8.26., 12/A.2., 12/A.3. and 12/A.4. of the Company's Bylaws in keeping with the proposal and on the basis of the annex to the minutes of the General Meeting."

## Motion 2

### 1. Limitation on exercising voting rights and calculating the quorum (first paragraph of section 6.4. and section 8.17. of the Bylaws)

“6.4. No shareholder or group of shareholders may exercise a voting right in excess of ~~25%, or 33% if the voting right of another shareholder or group of shareholders in the Company also exceeds 10%~~, 10% of the voting rights pertaining to the voting shares issued by the Company which serve as the basis for the voting right at the General Meeting.”

“8.17. The General Meeting has a quorum if shareholders in possession of more than half of the voting rights that are embodied in the voting shares attend the meeting. When determining the quorum, the limitations specified in section 6.4 must be taken into account, and the ratio in excess of the maximum number of votes, as specified in section 6.4., must not be taken into account.”

#### **Explanation of motion 2**

**Explanation:** *The effective Bylaws limit the voting rights that may be exercised by a single shareholder or group of shareholders to an extent of 25% and 33% of the voting shares respectively.*

*However, in the current financial/economic environment, at the current share prices, the shareholding structure may easily undergo considerable rearrangement. In view of this situation, it is reasonable to modify the restriction on voting that limits the ratio of voting rights that may be exercised by a single shareholder or shareholder group in an extent of 10% of all voting shares. This ensures that no shareholder or shareholder group has excessive influence when decisions are made at the General Meeting.*

*At the same time that the limit on the exercising of voting rights is redefined, it is also necessary to clarify the rule pertaining to establishing the quorum.*

#### **Text of the proposal:**

“The General Meeting accepts the amendment of sections 6.4. and 8.17. of the Bylaws in accordance with the proposal, on the basis of the annex to the minutes of the General Meeting.”