



**Annex 9 to the proposal of the Annual General Meeting of  
Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.**

**Remuneration Report of  
Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.  
for the Financial Year 2021**



## Remuneration Report of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for the Financial Year 2021<sup>1</sup>

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. (hereinafter: “Company” or “BIF”) has prepared this remuneration disclosure of the Company for the financial year 2021 (hereinafter: “Report”) based on the provisions of Act LXVII of 2019 on the Promotion of Long-term Shareholder Involvement and the Amendment of Certain Acts for the Purposes of Legal Harmonisation (“Act”) and the remuneration policy approved by the General Meeting of the Company for an opinion (hereinafter: “Remuneration Policy”).<sup>23</sup>

The purpose of the Report is to provide a comprehensive overview of all remuneration awarded or payable in the last financial year to the individual directors, including newly appointed directors, in accordance with the Remuneration Policy.

Directors of the Company in the financial year 2021	
Name	Position
Dr Anna Ungár	President of the Board of Directors
Kristóf Berecz	Vice President of the Board of Directors, CEO
Dr Frigyes Hárshegyi	Member of the Board of Directors and President of the Audit Committee
Julian Tzvetkov	Member of the Board of Directors and of the Audit Committee
Miklós Vaszily	Member of the Board of Directors and of the Audit Committee
Róbert Hrabovszki	Deputy CEO, CFO

### 1. Remuneration of the Board of Directors and of the Audit Committee in 2021

In 2021, the members of the Board of Directors and the Audit Committee were remunerated in accordance with Section II.1 of the Remuneration Policy.

In the 2021 financial year, the members of the Board of Directors performed their duties in this capacity without remuneration, while the members of the Audit Committee received a gross remuneration of HUF 300,000 per month per member.

The members of the Board of Directors and of the Audit Committee did not receive any performance-related remuneration in this capacity in 2021.

<sup>1</sup> Capitalised terms not specifically defined in this Remuneration Report are defined in the Remuneration Policy.

<sup>2</sup> The Remuneration Policy approved by the Board of Directors to express its advisory opinion by Resolution No. 16/2020.04.29. within the competence of the General Meeting of the Shareholders, which is a consolidated version of Resolution No. 16/2021.04.27 of the General Meeting of Shareholders, including Amendment No. 1, and approved by the Board of Directors as its advisory opinion.

<sup>3</sup> The Company prepares a remuneration report annually. The first remuneration report has been compiled in 2022 for the financial year 2021.

### Disbursements/remuneration for the financial year 2021

Name	Fixed remuneration (annual fee, gross, HUF) (1)	Variable (performance-related) remuneration (annual, gross, HUF) (2)	Total remuneration* (annual, gross, HUF) (3) = (1)+(2)	Ratio of fixed remuneration (%) (1)/(3)	Ratio of variable remuneration (%) (2)/(3)
Dr Anna Ungár	0	0	0	-	-
Kristóf Berecz	0	0	0	-	-
Dr Frigyes Hárshegyi	3,600,000	0	3,600,000	100%	0%
Julian Tzvetkov	3,600,000	0	3,600,000	100%	0%
Miklós Vaszi	3,600,000	0	3,600,000	100%	0%

\*Total remuneration is equal to all remuneration received from companies belonging to the BIF Group.

## 2. Remuneration of Senior Managers in 2021

For the financial year 2021, the remuneration of the Senior Managers was determined in accordance with the provisions of Section II.2 of the Remuneration Policy, in line with the Company's strategic objectives, to support their achievement, taking into account the Company's risk tolerance and in order to achieve the fullest possible alignment with the shareholders' interests.

### 2.1. Annual basic salary and related benefits

For the financial year 2021, the annual basic salary and the related benefits were consistent with the provisions of Section II.2.1 of the Remuneration Policy.

### 2.2. Short-term incentive (bonus)

The Short-Term Incentive Plan is designed to encourage managers to endeavour to achieve the corporate and individual targets that support the Company's strategic objectives and are achievable within a year.

In accordance with the Remuneration Policy, in March 2021, the individual bonus packages of the Senior Managers were adopted for the financial year 2021, and the specific targets for the financial performance indicators and the non-financial performance indicators (individual targets and expectations) were defined in accordance with Section II.2.2.1 of the Remuneration Policy.

- Performance weights to be used in the assessment:
  - for the CEO, the weight of financial performance indicators is 75%, while the individual targets and requirements weigh 25%;
  - for the Deputy CEO, CFO, the financial performance indicators is 60% and the individual targets and requirements weigh 40%.
- The bonus may be up to 100% of the annual base salary of the CEO, and up to 80% of the annual base salary of the Deputy CEO, CFO, provided that the Board of Directors decides to pay a Bonus upon the recommendation of the Audit Committee. The specific amount of the payable Bonus will be determined on the basis of the performance assessment of the beneficiaries.

On the basis of Section II. 2.2.2. of the Remuneration Policy, the Board of Directors, on the recommendation of the Audit Committee, decided to pay an advance bonus in January 2022, depending on the preliminary annual business results.

In its annual evaluation, the Audit Committee assesses the performance of the Senior Managers concerned on the basis of a combination of financial and non-financial performance indicators set out in the Bonus Allocation and proposes the level of the bonus to be paid to the Senior Managers, which is then approved by the Board of Directors. The annual evaluation and the relevant decision of the Board of Directors will be made within 30 days after the annual General Meeting of Shareholders (hereinafter: "AGM") closing the financial year 2021. Subject to the approval of the Board of Directors, the Company shall ensure payment of the approved bonuses no later than 45 days after the General Meeting, taking into account the advance bonuses paid.

The Short-Term Incentive Plan is designed in such a way that the "claw-back" of the Bonus is not applicable under the Remuneration Policy.

#### Disbursements/remuneration for the financial year 2021

Name	Fixed remuneration (annual basic salary, gross, HUF) (1)	Variable (performance-related) remuneration (interim bonus, gross, HUF) (2)	Total remuneration* (annual, gross, HUF) (3) = (1)+(2)	Ratio of fixed remuneration (%) (1)/(3)	Ratio of variable remuneration (%) (2)/(3)
Kristóf Berecz	24,000,000	9,485,760	33,485,760	72%	28%
Róbert Hrabovszki	18,600,000	5,895,456	24,495,456	76%	24%

\*Total remuneration is equal to all remuneration received from companies belonging to the BIF Group.

### 2.3. Long-term incentive

The long-term incentive for Senior Managers is based on the provision of shares at a discounted price. The purpose of this incentive is to maintain the long-term share price growth ambition of Senior Managers, thereby aligning senior management objectives with long-term shareholder interests.

#### 2.3.1. Preconditions of awarding share bonuses

The application of the Long-Term Incentive Plan for the financial year 2021, as set out in Section II.2.3 of the Remuneration Policy, is decided by the Board of Directors, based on the evaluation of the exchange rate changes, in connection with the Annual Evaluation, on the proposal of the Audit Committee, at the latest within 30 days after the General Meeting. Exchange rate changes are assessed on the basis of public data accessible on the website of the Budapest Stock Exchange. The Company provides shares at a discounted price from its current treasury stock.

#### 2.3.2. The amount of the share bonuses and other terms of settlement

- In the course of providing the approved share bonuses, the number of shares offered for purchase at a discounted price in a sale and purchase transaction, whether on the stock exchange or OTC, within 45 days of approval, for the CEO and the Deputy CEO, CFO is  $R_{CEO}$  and  $R_{DCEO}$ , respectively. The number of shares ( $R_{CEO}$  and  $R_{DCEO}$ ) included in the Share Bonus Plan is calculated as 50% of the annual gross base salary of the beneficiaries divided by the closing price of the Shares on the stock exchange trading day preceding the value date of the Transaction, and the Company is responsible for calculating the value of the  $R_{CEO}$  and  $R_{DCEO}$ .
- The Discounted Price is 70% of the average stock exchange price of the Shares in the 180 days preceding the value date of the Transaction. The Company is responsible for the calculation of the average price.



- The Senior Managers may not sell the Shares acquired in the Transaction for a period of 3 years after the Transaction value date, however, the dividends paid by the Company may be freely disposed of during the Holding Period. After the expiry of the Holding Period, the Senior Managers may freely dispose of the acquired Shares.
- If during the Holding Period the employment of the Senior Manager is terminated (whether at the initiative of the Senior Manager or of the Company), the Company is entitled to repurchase the Shares under the Share Bonus Plan at a Discounted Price through a stock exchange or an OTC transaction. In the event that the Company exercises its above-described repurchase right, the Senior Manager is under an obligation to sell the Shares included in the Share Bonus Plan.

### 3. Additional information

The Remuneration Policy for the financial year 2021 was implemented in full compliance with its provisions, with no deviations.

As this is the first time that the Company has prepared a remuneration report, it has not been able to take into account any resolution of the General Meeting of Shareholders to express an opinion on the remuneration disclosure for the previous financial year.

Budapest, 8 April 2022

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.  
Board of Directors