



Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.

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**Proposal  
for the Annual General Meeting of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.  
in 2020**

the **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** (registered office: 1033 Budapest, Polgár utca 8-10.; hereinafter: Company) hereby informs its money and capital market players that the Board of Directors has prepared the proposals for the Annual General Meeting which was announced on 29 April 2020, at 1033 Budapest, Polgár utca 8-10. and hereby publishes them with the proposals related to the items on the agenda.

**Agenda item 1:**

- Report of the Board of Directors on the Company's business activity in 2019
- Report of the Auditor on the Financial Statements of the Parent Company and the Consolidated Financial Statements of the Company Group and the related Business (Management) reports for year 2019 prepared in accordance with International Financial Reporting Standards (IFRS)
- Report of the Audit Committee of the audited Financial Statements of the Parent Company and the Consolidated Financial Statements of the Company Group and the related Business (Management) Reports for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS)
- approval of the audited Financial Statements of the Parent Company and the Consolidated Financial Statements of the Company Group and the related Business (Management) Reports for year 2019 prepared in accordance with the International Financial Reporting Standards (IFRS)
- resolution on the use of after-tax profit in 2019, determination of dividend against the profit of 2019

The Board of Directors informs the Shareholders that according to the request of the Company initiated on 20 December 2018 at the National Tax and Customs Administration to be registered as regulated real estate investment company pursuant to Act CII of 2011 on Regulated Investment Companies, the National Tax and Customs Administration registered the Company as regulated real estate investment company effective as of 30 December 2018.

Pursuant to paragraph c) of Section (3) of Article 3 of Act CII of 2011, the Company proposes in the proposal of the management at the Annual General Meeting the payment of at least the dividend corresponding to the expected dividend and if it is accepted, the dividend shall be paid within 30 trading days from the approval of the accounting report, provided that if the amount of the retained cash of the regulated real estate investment company does not reach the amount of the expected dividend, then the management proposes the payment of at least 90% of the amount of retained cash as dividend.

With regard to the applicable provisions of Act CII of 2011 and the earnings of 2019, the Board of Directors proposes on the basis of the Annual Financial Statements of the Parent Company prepared in accordance with International Financial Reporting Standards (IFRS) the payment of a dividend amounting to two billion, five hundred sixty-eight million, eight hundred forty-four thousand, four hundred forints (HUF 2,568,844,400) against the retained earnings and profit reserve payable as dividend, which corresponds to ten forints (HUF 10) per share. In the course of the above dividend calculation, the Company has already divided the dividend on the treasury shares (30.140,000 shares) among the shareholders entitled to dividends in proportion to the nominal value of their shares.

If the General Meeting of the Company decides the payment of the dividend, the Board of Directors shall publish a notice with the detailed conditions and process for the payment of the dividend following the General Meeting. The closing date to be indicated in the notice on the Annual General meeting resolving on the payment of dividend shall be set out in the notice of the BoD regarding the dividend payment. Accordingly, the key figures for the annual financial statement of the Parent Company for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS) are:

Total assets:	59,760,334 HUF th
Equity:	41,754,856 HUF th
Sales revenues:	4,366,881 HUF th
Profit before taxes:	2,296,950 HUF th
Retained earnings:	2,283,680 HUF th

The report of the Company's Board of Directors on the business activities of 2019 is contained in Annex 1 of the proposal, while the audited Annual Financial Statements of the Parent Company for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS), the statement of the financial position (balance sheet), the profit and loss statement, the statement of changes in the equity, the cash flow statement and supplementary annexes, and the Business (Management) Report are contained in Annex 2 of the proposal. The Board of Directors recommends the adoption of the Board of Directors' report, the audited Annual Financial Statements of the Parent Company for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS), and the Business (Management) Report.

The report of the Company's Auditor on the Annual Financial Statements of the Parent Company and the Business (Management) Report for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS), is contained in Annex 3 of the proposal. The Auditor recommends the adoption of the Annual Financial Statements of the Parent Company for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS).

The report of the Audit Committee on the Board of Directors' report, the audited Annual Financial Statements of the Parent Company and the Business (Management) Report for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS), is contained in Annex 4 of the proposal. In the report, the Audit Committee recommends the adoption of the Board of Directors' report, the audited Annual Financial Statements of the Parent Company and the Business (Management) Report for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS).

The Company included Harsánylejtő Kft. in its Consolidated Annual Financial Statements for 2019 prepared in accordance with the International Financial Reporting Standards (IFRS). The Board of Directors proposes to approve the 2019 annual report of Harsánylejtő Kft., which is directly owned with 100% ownership share, with the following balance sheet and profit and loss statement data from 31 December 2019: The main data of the Annual Report of Harsánylejtő Kft. for 2019

Total assets:	2,167,035 HUF th
Equity:	-213,878 HUF th
Sales revenues:	924,768 HUF th
Profit before taxes:	-219,403 HUF th
Retained earnings:	-219,403 HUF th

Data of the audited Consolidated Annual Financial Statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS):

Total assets:	59,980,479 HUF th
Equity:	41,158,588 HUF th
Sales revenues:	5,288,254 HUF th
Profit before taxes:	2,290,012 HUF th
Retained earnings:	2,275,882 HUF th

The Company's audited Consolidated Annual Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS) for 2019, the statement of the financial position (balance sheet), the profit and loss statement, the statement of changes in the equity, the cash flow statement and supplementary annexes, and the Business (Management) Report are contained in Annex 5 of the proposal. The Board of Directors examined and approved the audited International Financial Reporting Standards (IFRS) Consolidated Annual Financial Statements and the Consolidated Business (Management) Report for 2019, thus the Board of Directors proposes the audited International Financial Reporting Standards (IFRS) Consolidated Annual Financial Statements and the Consolidated Business (Management) Report for 2019 to be adopted by the Annual General Meeting.

The report of the Company's Auditor on the International Financial Reporting Standards (IFRS) Consolidated Annual Financial Statements and the Consolidated Business (Management) Report for 2019 is contained in Annex 6 to the proposal. The Auditor recommends the adoption of the audited International Financial Reporting Standards (IFRS) Consolidated Annual Financial Statements for 2019.

The report of the Audit Committee on the audited International Financial Reporting Standards (IFRS) Consolidated Annual Financial Statements and the Consolidated Business (Management) Report for 2019 is contained in Annex 4 of the proposal. In the report, the Audit Committee recommends the adoption of the audited International Financial Reporting Standards (IFRS) Consolidated Annual Financial Statements and the Consolidated Business (Management) Report for 2019.

Motions regarding the agenda item:

.../Motion for resolution at the AGM No. 29.04.2020: The General Meeting read and approved the Auditor's Report on the Annual Financial Statements and the related Business (Management) Report prepared in accordance with the International Financial Reporting Standards (IFRS) and the Business (Management) Report of the Parent Company for 2019.

.../Motion for resolution at the AGM No. 29.04.2020: The General Meeting read and approved the Auditor's Report on the Consolidated Annual Financial Statements and the related Business (Management) Report prepared in accordance with the International Financial Reporting Standards (IFRS) and the Consolidated Business (Management) Report of the Company for 2019.

.../Motion for resolution at the AGM No. 29.04.202019: The General Meeting read and approved the Audit Committee's Report on the audited Annual Financial Statements of the Parent Company and the related Business (Management) Report prepared in accordance with the International Financial Reporting Standards (IFRS), the Business (Management) Report of the Parent Company and the Board of Director's Report for 2019.

.../Motion for resolution at the AGM No. 29.04.2020: The General Meeting read and approved the Audit Committee's Report on the audited Consolidated Annual Financial Statements and the related Business (Management) Report prepared in accordance with the International Financial Reporting Standards (IFRS) and the Consolidated Business (Management) Report for 2019.

.../Motion for resolution at the AGM No. 29.04.2020: The General Meeting read and approved the report of the Board of Directors for the 2019 business year.

.../Motion for resolution at the AGM No. 29.04.2020: The General Meeting read and approved the audited Annual Financial Statements and the related Business (Management) Report prepared in accordance with the International Financial Reporting Standards (IFRS) and the Business (Management) Report of the Parent Company for 2019 with a balance sheet total of HUF 59,760,334 th and equity amount of HUF 41,754,856 th.

.../Motion for resolution at the AGM No. 29.04.2020: The General Meeting read and approved the audited Consolidated Annual Financial Statements and the related Business (Management) Report prepared in accordance with the International Financial Reporting Standards (IFRS) and the Consolidated Business (Management) Report of the Company for 2019 with a balance sheet total of HUF 59,980,479 th and equity amount of HUF 41,158,588 th.

.../Motion for resolution at the AGM No. 29.04.2020: On the basis of the audited Annual Financial Statements of the Parent Company prepared in accordance with International Financial Reporting Standards (IFRS), the General Meeting approved the payment of a dividend amounting to two billion, five hundred sixty-eight million, eight hundred forty-four thousand, four hundred forints (HUF 2,568,844,400) against the retained earnings and profit reserve payable as dividend. The General Meeting sets out for the Board of Directors to arrange for the share-proportional payment of dividends established on ordinary shares and to publish by 10 May 2020, a notice on the schedule for the payment of dividends and the closing date of the identification of shareholders related to the payment of dividends, with regard to the applicable provisions of Act CII of 2011 according to which the commencement date of the payment of the dividends may be no later than the 30th trading day following the approval of the accounting report (as defined by Act CXX of 2001 on the Capital Market). Dividends on treasury shares are paid by the Company to shareholders entitled to dividends in proportion to the nominal value of their shares and pursuant to Section 16.2 of the Articles of Association.

**Agenda item 2: Resolution on the discharge of the members of the Board of Directors regarding business year 2019 holding director position in the Board of Directors in business year 2019.**

Pursuant to Section (1) of Article 3:117 of the Civil Code, the members of the Board of Directors holding director position in the Board of Directors in business year 2019 requested discharge regarding their management activity performed in business year 2019. The resolution of the General Meeting is requested by the members of the Board of Directors referred to above as to whether the General Meeting considers their work as employees in executive position to be adequate compared to the requirements of the law and the Articles of Association, and whether the Board of Directors performed its activity bearing in mind the priority of the Company's interests.

Pursuant to Section 9.2 (q) of the Articles of Association, the resolution on discharge falls within the exclusive competence of the General Meeting. On the basis of the discharge, the Company may claim damages against the members of the Board of Directors based on the violation of the management activities, if the facts or data serving as a basis for the discharge were untrue, incomplete.

**.../Motion for resolution at the AGM No. 29.04.2020:**

**The General Meeting adopts the resolution on the discharge the members of the Board of Directors holding director position in the Board of Directors at the Company with regard to their activity in 2019.**

**Agenda item 3: Resolution on the appointment of the Auditor.**

The appointment of the INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Kft. for auditing expires on 15 May 2020, with the closing of the 2019 business year, thus the Company requires the appointment of an auditor.

The company proposed by the Audit Committee to perform the Company's permanent auditing tasks between 16 May 2020 and 15 May 2021 is **INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Kft.** (registered office: 1074 Budapest, Vörösmarty utca 16-18. Building A, ground floor 1/F.; Company Registration Number: 01-09-063211; Tax Registration Number: 10272172-2-43; Chamber Registration Number: 000171; issuer rating number: K000107, person responsible for the auditing: Zsuzsanna Freiszberger, name at birth: Zsuzsanna Freiszberger; mother's name: Rózsa Mária Böczkös, address: 2440 Százhalombatta, Rózsa u. 7.; place and date of birth: Barcs, 27.07.1977 number of auditor license: 007229; issuer rating number: K000103).

**.../Motion for resolution at the AGM No. 29.04.2020:**

**The Company appointed INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Kft. (registered office: 1074 Budapest, Vörösmarty utca 16-18. Building A, ground floor 1/F.; Company Registration Number: 01-09-063211; Tax Registration Number: 10272172-2-43; Chamber Registration Number: 000171; issuer rating number: K000107, person responsible for the auditing: Zsuzsanna Freiszberger, name at birth: Zsuzsanna Freiszberger; mother's name: Rózsa Mária Böczkös, address: 2440 Százhalombatta, Rózsa u. 7.; place and date of birth: Barcs, 27.07.1977 number of auditor license: 007229; issuer rating number: K000103) as its permanent auditor for the period between 16 May 2020 and 15 May 2021.**

**Agenda item 4: Resolution on the remuneration of the Members of the Board of Directors, the Members of the Audit Committee and the Auditor.**

In respect of the remuneration of the members of the Board of Directors and the Audit Committee, the Shareholders may make proposals at the General Meeting. For the Auditor's fee for the 2020 business year, the Audit Committee made a proposal in accordance with Annex 7 to the proposal in the amount of HUF 6,250,000.+ VAT. Motions of the Board of Directors for the item on the agenda:

**.../Motion for resolution at the AGM No. 29.04.2020:**

**The General Meeting resolved that the members of the Board of Directors shall perform their duties arising from the membership in the Board of Directors without remuneration in the 2020 business year.**

**.../Motion for resolution at the AGM No. 29.04.2020:**

**The General Meeting resolved that members of the Audit Committee shall perform their duties for an amount of HUF 300,000/member per month in the 2020 business year.**

**.../Motion for resolution at the AGM No. 29.04.2020:**

**The General Meeting resolved that the Company's permanent auditor shall be entitled to a fee of HUF 6,250,000+ VAT with regard to year 2020 for the auditing of the Annual Financial Statements of the Parent Company and the Consolidated Annual Financial Statements of the Company Group prepared in accordance with the International Accounting Standards.**

**Agenda item 5: Resolution on the adoption of the Corporate Governance Report.**

Pursuant to Article 3:289 of the Civil Code, the Board of Directors is required to submit Corporate Governance Report to the Annual General Meeting. By its resolution of 8 April 2020, the Board of Directors approved the Report of the Board of Directors on the Corporate Governance Recommendations of the Budapest Stock Exchange according to Annex 8 hereto, which it proposes to be adopted by the General Meeting with the content contained therein.

**.../Motion for resolution at the AGM No. 29.04.2020:**

**The General Meeting adopted the Corporate Governance Report of the Company for 2019 regarding the Corporate Governance Recommendations of the Budapest Stock Exchange and edited on a separate sheet.**

**Agenda item 6: Resolution on the authorisation of the Board of Directors to acquire treasury shares.**

The Board of Directors proposes to the General Meeting to authorize the Board of Directors to purchase treasury shares for a period of 18 months from the date of the General Meeting, with the following conditions:

1. Type and quantity of acquirable treasury shares: ordinary shares, up to a maximum of 25% of the share capital.
2. The purpose of the acquisition of treasury shares and the reason for the authorization is that the Company may acquire treasury shares on the basis of the decision of the Board of Directors for the purpose of developing and maintaining the services provided to the Company's clients.
3. Method of acquiring treasury shares: On the basis of the authorization, the share transactions may be made on the regulated market (stock exchange) or outside it, for consideration.
4. The minimum amount of consideration that can be paid for a treasury share is 1 forint (HUF 1), while and the maximum amount may not exceed 150% of the average market price weighted with the turnover of the 180 days prior to the date of the transaction.
5. The authorization is valid until 29 October 2021.
6. The Company shall disclose the data related to treasury shares and transactions affecting them in compliance with the legislation in force.
7. With regard to other conditions for the acquisition of treasury shares, the Civil Code shall apply.

**.../Motion for resolution at the AGM No. 29.04.2020:**

**The General Meeting authorizes the Board of Directors to purchase treasury shares. Pursuant to the authorization, the Board of Directors may decide on the Company's purchase of ordinary shares issued by the Company with a nominal value of HUF 10. The minimum amount of consideration that can be paid for a treasury share is 1 forint (HUF 1), while and the maximum amount may not exceed 150% of the average market price weighted with the turnover of the 180 days prior to the date of the transaction. The authorization is for a fixed term from the date of the General Meeting until 29 October 2021. Based on the authorization, the maximum value of own shares acquirable by the Company is a maximum of 25% of the share capital.**

**Agenda item 7: Decision-making voting of the Remuneration policy of the Company**

The Act LXVII of 2019 on the promotion of long-term shareholder involvement and the amendment of certain laws for the purpose of harmonization which is in force from 17 July 2019 obliges the public limited liability companies to prepare and apply a remuneration policy. The remuneration policy shall be approved in the year of 2020 and shall be applied from the year of 2021. The remuneration policy which is proposed for opinion to the General Meeting contained in Annex 9 of the proposal.

**.../Motion for resolution at the AGM No. 29.04.2020:**

The General Meeting approves the remuneration policy by a non-binding basis.

The proposal and all of its annexes can also be viewed in full at the Company's registered office in printed form and can be downloaded from the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)), the website of the Magyar Nemzeti Bank ([www.kozzetetelek.mnb.hu](http://www.kozzetetelek.mnb.hu)) or the website of the Company ([www.bif.hu](http://www.bif.hu)). We also inform our shareholders that at the time of convening the General Meeting and at the time of publishing this proposal, the Company's share capital consisted of 287.024.440 ordinary shares providing the same rights, each with a par value of HUF 10. Number of voting rights related to the shares:

Share series	Issued shares	Shares entitling to voting right	Voting right per share	Total voting right	Number of treasury shares
common share	287 024 440	256 884 440	1	256 884 440	30 140 000

The number of voting rights is not the same with the number of issued shares due to the amount of treasury shares. The form to be used for voting via a proxy forms Annex 10 hereto. The proposal and its annexes are published in Hungarian and English. The Hungarian version shall prevail in case of any discrepancy between the two versions.

Budapest, 8 April 2020

**Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.**  
Board of Directors