

**BILK LOGISZTIKAI
NYILVÁNOSAN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG**

ARTICLES OF ASSOCIATION

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which was prepared in accordance with the provisions of Act V of 2013 on the Civil Code ("Civil Code") and Act CII of 2011 on Regulated Real Estate Investment Trusts ("REIT Act"), as follows:

1. COMPANY NAME

1.1 Registered name of the Company: **BILK Logisztikai Nyilvánosan Működő Részvénytársaság**

1.2 Abbreviated name of the Company: **BILK Logisztikai Nyrt.**

1.3 Registered name of the Company in a foreign language:

in English: BILK Logistics Public Company Limited by Shares

in German: BILK Logistische Öffentliche Aktiengesellschaft

2. REGISTERED SEAT AND SITES OF THE COMPANY

2.1 Registered seat of the Company: 1239 Budapest, Európa u. 6.

2.2 Sites of the Company:

1239 Budapest, Európa u. 3. G1-G2-G3-E. ép.

1239 Budapest, Európa u. 5. D-F. ép.

1239 Budapest, Európa u. 7. H. ép.

1239 Budapest, Európa u. 8. C1-C2. ép.

1239 Budapest, Európa u. 9. I. ép.

1239 Budapest, Európa u.10. K1-K2. ép.

1239 Budapest, Európa u. 12. L. ép.

3. DURATION OF OPERATION AND BUSINESS YEAR OF THE COMPANY

3.1 The Company was established for an indefinite term.

3.2 The financial year of the Company is identical with the calendar year.

4. SCOPE OF ACTIVITIES OF THE COMPANY

Listing of the Company's scope of activities based on the statistical nomenclature defined by the KSH:

4.1 Main activity of the Company:

- **renting and operating of own or leased real estate (TEÁOR 6820)**

4.2 The Company's other activities:

- buying and selling of own real estate (TEÁOR 6810),
- real estate management (TEÁOR 6832),
- facility operation (TEÁOR 8110),
- asset management (holding) (TEÁOR 6420).

5. FOUNDATION OF THE COMPANY

The Company was established with the merger of **BILK-INVEST Ingatlan- és Vagyonkezelő Korlátolt Felelősségű Társaság** (registered office: 1239 Budapest, Európa utca 6.; company registration number 01-09-885396; hereinafter: BILK-INVEST Kft.), and **BILK Logisztikai Zártkörűen Működő Részvénytársaság** (registered office: 1239 Budapest, Európa utca 6.; company registration number: 01-10-044719; hereinafter: BILK Logisztikai Zrt.) as **their general successor**, with the participation of the members of BILK-INVEST Kft as predecessor, BILK Holding Kft. (registered office: 1055 Budapest, Kossuth Lajos tér 18. A lh. 6. em. 1/A.), VKH Kft. (1211 Budapest, Szállító utca 4.) and Géza Czakó (address: 1164 Budapest, Takács utca 10.) as the shareholders of the (successor) Company.

BILK-INVEST Kft. and BILK Logisztikai Zrt. have merged in accordance with the rules of preferential transformation (in Hungarian: “*kedvezményezett átalakulás*”), based on which in relation to the transformation the Company undertook an obligation pursuant to Section 16 (11) of the Corporate Tax Act that, following the transformation the Company as successor company will establish its tax base by taking into account the assets and liabilities taken over from the Predecessor Company (including also provisions and accruals), by modifying its profit before taxation, as if the transformation did not take place at all. The Company as successor company records the re-valued assets and liabilities separately and indicates in those records, at the predecessor, the cost reported for the date of transformation, the book value, the calculated book value, and also the amount accounted by it after the transformation as an adjustment of the profit before taxation based on the respective assets and liabilities.

The Company’s issued capital on the date of the merger was a cash contribution of EUR 61,217 (sixty-one thousand two hundred and seventeen euros), which consisted of 306,085 (three hundred and six thousand and eighty five) “A” series registered ordinary shares with a nominal value of EUR 0.2 (20 euro cents) each.

The merging companies defined the issued capital of the Company as the amount of the registered capital of BILK-INVEST Kft. at the time of the merger (HUF 18,660,000) expressed in EUR (euro) (EUR 61,217), calculated, according to the rules of rounding, on the basis of the MNB EUR medium foreign exchange rate effective on the cut-off date of the transformation draft balance sheet and draft inventory of assets (31 July 2017).

In the course of the merger of BILK-INVEST Kft. and BILK Logisztikai Zrt., the shareholders becoming shareholders in the Company issued a declaration of commitment and undertook to take over all shares representing the EUR 61,217 issued capital of the Company, divided between them on a pro rata basis reflecting their shares held in the legal predecessor company BILK-INVEST Kft. on the day of the merger. On the date of the merger, 100% of the issued capital was made available to the Company in compliance with the transformation draft balance sheet and draft inventory of assets.

The issue value of the shares equals the pro rata amount of one share in the shareholders equity (EUR 100,725,512) stated in the draft transformation balance sheet and inventory of assets of the (legal successor) Company resulting from the merger of BILK-INVEST Kft. and BILK Logisztikai Zrt.

6. ISSUED CAPITAL AND SHARES OF THE COMPANY

6.1 Issued capital

The issued capital of the Company is a cash contribution of EUR 2,750,000 (two million seven hundred and fifty thousand euros).

6.2 Shares

The Company's issued capital consists of 3,437,500 (three million four hundred and thirty seven thousand five hundred) "A" series registered ordinary shares with a nominal value of EUR 0.8 (80 euro cents) each.

The Company's shares are issued as dematerialised securities.

Any shares issued prior to the registration of the Company, and/or prior to the full payment of the share capital or the par value of the shares shall be null and void.

Prior to registration, upon the request of the individual performing the financial contribution, the Company issues a share certificate. Following the registration of the Company, or the registration of the increase of the its issued capital, interim shares shall be issued for the amount of contribution provided on shares subscribed or undertaken to be received by shareholder, for the period up to the full payment of the issued capital, increased issued capital or the par value of the shares. The rules pertaining to shares must be applied to interim shares by taking into account the different provisions stated in the legal regulations.

Shares of the same type and class of shares, of the same nominal value, represent membership rights of the same contents and degree.

The General Meeting may decide to transform individual shares into a different type, class or series of shares with a resolution adopted with at least a 3/4 majority vote of the General Meeting, including votes cast on the basis of the shares representing voting rights in the respective type, class or series of shares. Furthermore, the simple majority vote of the shareholders of the type, class or series of shares, affected detrimentally with the transformation, is required for adopting the resolution.

As long as the Company operates as a regulated real estate investment trust it can only issue ordinary shares and employee shares.

7. INCREASE AND REDUCTION OF THE ISSUED CAPITAL

The increase and reduction of the Company's issued capital may be performed in compliance with the applicable laws and regulations.

The Company may increase its issued capital at any time by the resolution of the General Meeting or in case of authorisation provided in the Articles of Association or a General Meeting resolution by the resolution of the Board of Directors.

Increase of the issued capital is possible:

- a) by issuing new shares,
- b) from the assets not forming part of the issued capital,
- c) by issuing employee shares,
- d) by adopting a decision for the conditional increase of issued capital through the issue of convertible or equity bonds.

7.1 Authorization of the Board of Directors

The Articles of Association or the General Meeting may authorise the Board of Directors to increase the issued capital.

The authorisation of the Board of Directors may relate to all issued capital increase cases and methods.

The authorisation must specify:

- a) the amount limit by which the Board of Directors is allowed to increase the Company's issued capital,
- b) the method of the applicable issued capital increase (e.g.: by issuing new shares, from retained earnings, etc.) and the mode of issue (private or public), and
- c) the period of up to five years during which the increase of capital is to be executed.

The authorisation granted to the Board of Directors for the increase of issued capital also constitutes an authorisation for the Board of Directors to adopt decisions relating to the increase of issued capital, which otherwise fall within the competence of the General Meeting in accordance with the Civil Code or the Articles of Association, including especially the exclusion or limitation of pre-emptive rights in subscription and the adoption of an interim balance sheet.

Within 5 years from the date of entry into force of the Articles of Association approved on 17 April 2018 the Board of Directors may decide to increase the issued capital of the Company by no more than 10% of the currently effective issued capital. The Board of Directors may increase the issued capital by private or public offering of shares in any way regulated in the Civil Code.

7.2 **Pre-emption right**

When the issued capital is increased in exchange for cash contribution, with the issue of new ordinary shares, the shareholders (i.e. the holders of ordinary shares and employee shares) have a pre-emption right to collect a number of newly issued shares in the ratio of the number of their shares registered in the Register of Shareholders to the total number of shares issued by the Company.

If on the basis of the ratio of the number of shares of the shareholder registered in the Register of Shareholders to the total number of shares issued by the Company the shareholder would not be entitled to a whole number of shares, the number of shares that can be collected by the particular shareholder when exercising the pre-emption right must be rounded down to the next whole number.

The Board of Directors informs the shareholders on the option and method of exercising the pre-emption right on the website within 3 (three) working days from the decision on the increase of the issued capital in exchange for cash contribution, i.e. on the nominal value and issue value of the shares available for acquisition and the start and closing dates of the 15 (fifteen) day period available for enforcing that right.

The Board of Directors of the Company must receive the declaration on exercising the pre-emption right on the closing day of the 15 (fifteen) day period.

Pre-emption right cannot be legally enforced beyond 15 (fifteen) days. If a shareholder does not exercise the pre-emption right within the above deadline (i.e. their declaration on exercising the pre-emption right is not received by the Board of Directors of the Company on the last day of the 15 (fifteen) day period at the latest), it should be deemed that the shareholder has waived that right.

The pre-emption right may be exercised with a written legal declaration addressed to the Board of Directors of the Company. The legal declaration may not be modified after it has been received by the Board of Directors of the Company and a declaration of commitment to take over the shares must also be attached thereto. The legal declaration made without a declaration of commitment on the takeover of shares shall not be deemed valid.

If a shareholder of the Company intends to exercise the pre-emption right for more shares than the number of shares on which the pre-emption right could be exercised pursuant to these Articles of Association, the shareholder's legal declaration on the exercise of the pre-emption right shall be null and void with regard to the shares for which the shareholder was not entitled to exercise the pre-emption right.

The General Meeting may limit the exercising of pre-emptive rights or exclude them by a simple majority of eligible votes of the shareholders present at the General Meeting.

8. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS CONCERNING SHARES

8.1 Shareholders rights

8.1.1 General terms and condition of exercising shareholder rights, Register of Shareholders:

Shareholders may exercise shareholder rights in dealings with the Company only upon being registered in the Register of Shareholders. The omission of registration shall not affect the shareholder's right of ownership of their shares.

The keeper of the Register of Shareholders may refuse the registration if such person has acquired his shares in violation of the regulations on the transfer of shares set out by law or the Articles of Association.

The shareholder's registration in the Register of Shareholders shall be cancelled upon request.

The Company's Register of Shareholders shall be kept by the Board of Directors, or its keeper may be appointed by it. In the latter case, the Company shall publish the appointment and the data of the keeper of the Register of Shareholders on its website.

The Register of Shareholders shall specify the following:

- a) the name (company name) and the address (registered seat) of shareholders and proxies or, in the case of jointly owned shares, the name (company) and address (or registered seat) of the joint representative,
- b) the number of shares (interim shares) for each series of shares held by the shareholders,
- c) and the equity participation of shareholders.

Any data deleted from the Register of Shareholders must remain identifiable.

The Board of Directors enters a shareholder into the Register of Shareholders when the shareholder submits a shareholder's declaration available on and downloadable from the Company's website, signed by the shareholder, from which the company can verify the direct and indirect holders of the shares of the shareholder in order to comply with the provisions of the REIT Act. The shareholder is obliged to ensure that, if changes occur in the data contained in their ownership declaration, they notify the Company's Board of Directors immediately, or no later than within 10 (ten) working days.

According to Section 3 (3) ha) of the REIT Act regulated real estate investment trusts are public limited companies where, relative to the total nominal value of the total issued capital, holdings in shares amount up to at least 25 per cent at the time of registration as a regulated real estate investment trust, whose owners individually control - directly or indirectly - not more than 5 per cent of the total nominal value of the total subscribed capital, provided that all shares held by such owners - with the exception of employee shares - that are admitted to trading on a regulated market ("**REIT Free Float**").

The General Meeting of the Company decided to operate as a public limited company in order to make sure that the state tax authority can register the Company as a regulated real estate investment trust, complying with the provisions of the REIT Act.

Although the REIT Free Float referred to in the above provision must be available at the time of registration as a regulated real estate investment company, during its operation the Company intends to bear in mind the provision of the REIT Act, for which it must understand the ownership structure of its shareholders. The shareholders' declarations and the provisions of the Articles of Association relating to them ensure that the Company complies with the provisions of the REIT Act.

If a shareholder does not fulfil the notification obligation indicated above at all or not supplying true data, the shareholder shall compensate the Company for all damages and costs resulting from breach of this notification obligation.

Shareholders may also exercise shareholder rights through representatives. The same representative may represent more than one shareholder, but a shareholder may only have one representative. Executive officers, Supervisory Board members and the auditor may not be representatives.

The power of attorney for representation shall be fixed in a public document or in a private document with full probative force.

A shareholder may appoint a shareholder representative to exercise his/her shareholder's rights vis-à-vis the Company. The shareholder's representative exercises the shareholder rights in their own name on behalf of the shareholder. The shareholder representative must be registered with the Register of Shareholders.

Own shares shall not entitle the Company to exercise shareholder rights. Own shares shall not count for the purposes of determining the quorum of the General Meeting, or in connection with exercising preferential subscription rights. Any dividend that is payable on own shares shall be taken into account as pertaining to shareholders with respect to the dividends payable on their shares.

8.1.2 Shareholder's property rights:

Right to receive dividend

The shareholder is entitled to receive a ratio (dividend) from the taxed profit of the Company that is available and ordered for distribution by the General Meeting in the percentage, consistent with the nominal value of their shares, providing that on the basis of the verification of shareholders, referred to in the announcement of the Board of Directors on dividend payment and conducted on the announced cut-off date, the shareholder is included in the Register of Shareholders and only to the extent by which the shareholder has paid any due capital contribution.

The shareholder who does not submit their ownership declaration to the Company's Board of Directors, and therefore it is not registered with the Register of Shareholders, shall not be entitled to receive dividends.

The General Meeting resolves on the payment of dividend in compliance with the provisions of the REIT Act simultaneously with the approval of the report prepared in accordance with the accounting regulations and based on a proposal of the Board of Directors previously approved by the Supervisory Board. Pursuant to Section 3 (3) c) of the REIT Act, the Company pays dividend, at least up to the level of expected dividend, within 15 (fifteen) trading days from the adoption of the General Meeting resolution approving the financial

statement of the Company. According to the General Business Rules of KELER, at least 10 (ten) working days must elapse between the day of the General Meeting and the starting date of dividend payment. In view of the above provision and the provisions of Section 3 (3) c) of the REIT Act referred to above, the Company pays dividend between the 10th (tenth) and the 15th (fifteenth) trading days after the General Meeting deciding on the dividend payment. The exact date of dividend payment is determined by the Board of Directors and communicated to the shareholders with a notification.

The expected dividend is 90% of the Company's profit payable pursuant to the accounting rules and the Civil Code. When the liquid assets of the Company are lower than the profit after tax of the current year that can be paid as dividend according to the accounting regulations and the Civil Code, then the Company shall pay out at least 90% of the liquid assets as dividend.

Pursuant to Section 2 point 7 of the REIT Act, liquid assets shall mean bank deposits, whether payable on demand or tied up (excluding those assets over which the regulated real estate investment trust, regulated real estate investment pre-trust or their special purpose company has limited right of disposition), government securities issued by any state that is a party to the Agreement on the European Economic Area or by any member state of the Organization for Economic Cooperation and Development, debt securities issued by an international financial institution, as well as securities listed on regulated capital markets in the amount shown in the balance sheet of the Company's annual accounts.

The payment of dividends cannot be done by any means other than cash.

The Company may enter into contracts with financial institutions for credits or loans, which restricts dividend payment and as a result of which not the dividend projected according to the REIT Act is paid out to the shareholders.

Interim dividend

General Meeting may adopt a decision for the payment of interim dividends between the approval of two consecutive financial statements prepared pursuant to the Accounting Act, providing that the statutory requirements are fulfilled.

Interim dividends are paid on the basis of the recommendation of the Board of Directors. The prior consent of the Supervisory Board is required for the recommendation of the Board of Directors.

If according to the annual financial statement prepared after the distribution of interim dividends there was no justification for the payment of dividends, the interim dividends must be repaid by the shareholder when so requested by the Company.

Right to liquidation surplus

Following the dissolution of the Company without succession, its assets remaining after settlement of all debts shall be allocated to the shareholders of the Company in the same percentage as the financial contribution that they or their predecessors provided to the Company, with respect to the provisions of Section 3:322 of the Civil Code.

8.1.3 Rights of shareholders related to the General Meeting:

Right of attending the General Meeting

Shareholders shall have the right to participate, to request information and to make remarks

and proposals at the General Meeting. Shareholders are entitled to vote, if they are holding shares with voting rights.

Right to information

The Board of Directors shall provide information at the latest 3 (three) days before the date fixed for the General Meeting to all shareholders which may be deemed necessary for discussions held in connection with the items placed on the agenda of the General Meeting upon written request submitted at least 8 (eight) days before the date fixed for the General Meeting.

With respect to the relevant data of the financial statement or the reports of the Board of Directors and the Supervisory Board, the deadline for the provision of information is 15 (fifteen) days prior to the General Meeting.

Right to vote

Shareholders are entitled to exercise their voting right only in proportion to their fully paid-up cash contribution.

Pursuant to Article 9.6 of these Articles of Association, and based on Section 3 (3) e) of the REIT Act, insurers and credit institutions may exercise jointly and directly no more than 10% of the total voting rights in the Company.

The Company indicates in the Register of Shareholders if the voting right related to the shares may not be exercised.

8.1.4 Minority rights of shareholders:

Right to convene the General Meeting

The shareholder or shareholders of the Company who together control at least one per cent of the voting rights may, at any time, request the convocation of the Company's General Meeting, indicating the reason and the purpose thereof. If the Board of Directors fails to comply with such request within 8 (eight) days of the date of receipt, and fails to convene the General Meeting at the earliest possible date, the court of registry shall convene the meeting at the request of the members making the proposal, or the court of registry shall authorize the requesting members to convene the meeting.

Right to make additions to the agenda

Where a group of shareholders together controlling at least one per cent of the votes in the Company propose certain additions to the agenda in accordance with the provisions on setting the items of the agenda, the matter proposed shall be construed to have been placed on the agenda if such proposal is delivered to the Board of Directors within 8 (eight) days following the time of publication of notice for the convocation of the General Meeting, and the Board of Directors shall publish a notice on the amended agenda and the draft resolutions submitted by the shareholders upon receipt of the proposal. The matter published in the notice shall be deemed to have been placed on the agenda.

Right to request special audits

If the General Meeting of the Company has refused - or did not present for decision - a proposal that the last financial statement, or any economic event which has occurred in connection with the activities of Board of Directors during the last two years, or any commitment be examined by an auditor to be engaged specifically for this purpose, such

examination shall be ordered at the expense of the Company, and the auditor shall be appointed, by the court of registry upon a request by any one shareholder or shareholders controlling at least one per cent of the votes submitted within a 30-day (thirty) preclusive period calculated from the date when the General Meeting was held.

Shareholders of the Company jointly holding at least one per cent of the votes may request the Court of Registration to assign an auditor to assess the legality of the payment made to the shareholders to the Company pursuant to Section 3:261 (1) of the Civil Code within a one-year time limit calculated from the payment.

Right to initiate the enforcement of claims

If the General Meeting has refused - or did not put to vote - a request to enforce a claim against any shareholder, executive officers, Supervisory Board member or against the auditor of the Company, the shareholders controlling at least one per cent of the votes may enforce such claim within a 30-days (thirty) preclusive period calculated from the date of the General Meeting themselves on behalf and for the benefit of the Company.

8.2 Obligations and responsibility of shareholders

Obligation to provide financial contribution

Shareholders shall be required to pay up and contribute to the Company the cash and in-kind contributions covering the nominal value or accounting par value of the shares they have received or subscribed.

If a shareholder fails to provide their financial contribution as undertaken by the prescribed time limit, the Board of Directors shall request the shareholder, with the applicable consequences indicated, to provide the contribution within 30 (thirty) days. After the expiry of the deadline, the shareholder's legal relationship will be terminated. The former shareholder shall be held liable for damages caused to the Company by virtue of their failure to provide the capital contribution in accordance with the provisions on liability for damages for loss caused by non-performance of a contractual obligation.

9. GENERAL MEETING

9.1 General provisions, participation in the General Meeting

Shareholders exercise their decision-making rights in accordance with the law or the Articles of Association at the General Meeting of shareholders. The General Meeting is the supreme body of the Company.

Participation and voting at the General Meeting is subject to that the shareholder or the shareholder's proxy is registered in the Company's Register of Shareholders no later than on the second working day preceding the General Meeting.

In the case of an identification procedure related to the closing of the Register of Shareholders prior to the General Meeting, the keeper of the register of shareholders shall delete all data contained in the register of shareholders at the time of the identification procedure, and shall simultaneously enter the data obtained upon the identification procedure into the register of shareholders and closes them with the data of the identification of the shareholder. After that any entry affecting the shareholder's shares may be made in the Register of Shareholders no sooner than on the first day after the closing of the General Meeting.

The transfer of the share on the day prior to the date of the General Meeting shall not affect

the shareholder rights of the individual registered in the Register of Shareholders to attend and to exercise his/her shareholder rights the General Meeting.

9.2 **Rules of convening the General Meeting**

The Board of Directors shall convene the General Meeting by invitation as well as ensures that the invitation regarding the General Meeting is published on the website of the Company at least 30 (thirty) days prior to the first day of the General Meeting.

The General Meeting shall convene at least once a year, for the approval of the financial statement prepared according to the Accounting Act.

The invitation shall contain:

- a) the Company's name and registered seat,
- b) the date and time and location of the General Meeting,
- c) the agenda of the General Meeting,
- d) the conditions for exercising the right to make additions to the agenda,
- e) the method for holding the General Meeting,
- f) the conditions for exercising voting rights as laid down in these Articles of Association,
- g) the place of availability of draft decisions and the original and full text of the documents to be submitted to the General Meeting,
- h) the place and time of the reconvened General Meeting in the event of failure to meet quorum requirements.

If an extraordinary General Meeting is convened in consequence of the shareholders' opinion relating to a public takeover offer for the shares of the Company or at the request of the person having obtained a qualifying holding upon the successful conclusion of the public takeover offer, the General Meeting shall be convened at least 15 (fifteen) days in advance.

On the website of the Company, at least 21 (twenty-one) days prior to the General Meeting the following shall be published:

- a) the aggregated data of the number of shares and voting ratios at the date of the convocation, including separate aggregations made for each class of shares;
- b) proposals relating to the items on the agenda and the Supervisory Board reports relating to them as well as the proposed draft resolutions;
- c) forms to be used in voting through a representative or in a letter if those have not been sent to the shareholders directly.

The General Meeting documents to be published shall, simultaneously with their publication, be sent electronically to the shareholders who specifically expressed this need.

9.3 **List of attendance**

An attendance sheet of attending shareholders shall be prepared at the General Meeting.

The attendance sheet contains:

- a) name of the shareholder of his/her proxy;
- b) address or registered seat of the shareholder of the shareholder proxy;
- c) number of shares of the shareholder;
- d) number of votes the shareholder is entitled to;
- e) changes occurring among attendees during the General Meeting.

The attendance sheet shall be authenticated by the signature of the Chair of the General Meeting and the keeper of the meeting minutes.

9.4 **The issues falling within the competence of the General Meeting**

Any issue referred into the exclusive competence of the General Meeting by law or by these Articles of Association fall within the competence of the General Meeting.

Especially the following fall within the competence of the General Meeting:

- a) amendment of the Articles of Association
- b) transformation
- c) change in the form of operation
- d) merger
- e) termination without succession
- f) reduction of the issued capital
- g) financial support of a third party in obtaining Company shares
- h) delisting of shares from the regulated market
- i) appointing and recalling the mandates of the Board of Directors, the Chief Executive Officer, the Audit Committee and Supervisory Board members and auditors
- j) granting exemption to members of the Board of Directors
- k) approval of the report, decision on dividends
- l) approval of the Supervisory Board's rules of procedure
- m) enforcement of indemnification claims against an executive officer, member of the Supervisory Board or auditor
- n) empowerment of the Board of Directors to purchase own shares for an 18-month (eighteen) period
- o) laying down the guidelines and framework for a long-term salary and incentive scheme for executive officers, members of the Supervisory Board and management employees
- p) issuance of convertible bonds and bonds with subscription rights, authorisation of the Board of Directors for issuing convertible bonds
- q) changing of the rights attached to individual share series
- r) increasing issued capital, authorisation of the Board of Directors to increase the issued capital within the specified limit for a period of five years, exclusion of the pre-emptive right to subscribe shares, in the case of a private capital increase the appointment of individuals with the right to subscribe new shares
- s) acceptance of the corporate governance and management report
- t) establishment of a new company body
- u) when the issued capital is increased through financial arrangements, a decision on the exclusion of the pre-emption right during subscription of the shareholders, or holder of bonds granting convertible or subscription rights, or on the authorisation of the Board of Directors to limit or exclude the pre-emption right during subscription

The General Meeting may adopt its resolution by a three-quarters majority regarding the issues detailed in points a) to h). Regarding other issues the General Meeting shall adopt its resolutions by simple majority vote.

For the adoption of a decision on regarding the issues detailed in points q) to r) the approval of the shareholders of the affected share series is required.

The report accepted pursuant to point s) shall be published by the Company on its website.

9.5 **Quorum, general provisions on exercising voting rights**

The General Meeting shall have the quorum if more than one half of the eligible shareholders with voting rights are present. Each share with a nominal value of EUR 0.8 entitles its holder to one vote.

Quorum shall be considered for each decision.

Any shareholder who is not eligible to vote in a given subject shall not be included for the purposes of quorum relating to the decision in question.

In the process of adopting a resolution the following persons may not vote:

- a) any person for whom the resolution contains an exemption from any obligation or responsibility, or for whom any advantage is to be provided by the Company;
- b) any person against whom legal proceedings are to be initiated according to the resolution;
- c) any person whose family member has interest in the decision, who is not a shareholder of the Company.

When adopting a resolution the restrictions detailed in Section 3:19 (2) b), e) and f) of the Civil Code may not be applied.

The shareholder cannot exercise its voting right by post prior to the General Meeting.

If the General Meeting fails to have a quorum, the reconvened General Meeting shall have a quorum for the issues of the original agenda irrespective of the voting rights represented by those present if called not less than 10 (ten) and not more than 21 (twenty-one) days following the original meeting date.

The General Meeting may suspend its session once by not more than 30 (thirty) days. The adjourned meeting shall reconvene subject to the same quorum requirement as the original General Meeting. When the adjourned meeting reconvenes, the provisions on calling the General Meeting and on the election of the officers of the General Meeting shall not apply.

9.6 Exercising of voting rights in the case of insurance companies and credit institutions

Section 3 (3) e) of the REIT Act states that in the Company, insurers and credit institutions may exercise no more than 10% of the total voting rights jointly and directly.

On the basis of the declarations of ownership submitted by the shareholders to the Board of Directors the Company verifies the shares of credit institutions and insurers in the Company and discloses that ratio.

If the voting right of credit institutions and insurers reach 10%, then credit institutions and insurers who acquire shares at any subsequent time in the Company may not exercise their voting rights relating to their shares. If the 10% share acquired by the disclosed credit institutions and insurers decreases, then the voting rights associated with the share of the credit institution or insurer acquiring any additional share first may be exercised but only to the degree of the difference. (Example: when the 10% threshold has been reached and a credit institution or insurer acquires 3% share and later the existing 10% share decreased to 9%, then the voting rights associated only with 1% of the 3% share may be exercised and the remaining 2% share is not associated with any voting right).

If any credit institution or insurer does not fulfil the notification obligation with their declaration of ownership at all or does not provide true data, or fails to inform the Company of any change, they shall compensate the Company for all damages and costs that incurred because credit institutions and insurers exercised more than 10% voting rights at the General Meeting of the Company.

9.7 Conducting the General Meeting, minutes

The Chairman of the Board of Directors, or the person appointed by the Board of Directors, presides over the General Meeting.

The Chairman of the General Meeting:

- opens the General Meeting;
- assesses the regularity of the convocation of the General Meeting;
- verifies the power of attorney of representatives of shareholders and their entitlement;
- determines that the General Meeting has a quorum and the number of votes that can be cast, or in the absence of a quorum postpones the General Meeting;
- recommends the General Meeting to appoint a keeper of the minutes, counter of the votes and a shareholder attesting the minutes;
- chairs the Meeting in the order of issues as specified in the agenda, presents the proposed draft resolutions;
- orders the voting, announces the result of the voting and the resolution of the General Meeting;
- orders a break, suspends or closes the General Meeting;
- provides for keeping the minutes and preparing the attendance sheet;

General Meetings shall be recorded in minutes.

The minutes shall indicate:

- a) the Company's name and registered office;
- b) the place and time and the procedure for holding the general meeting;
- c) the names of the Chairman of the General Meeting, the keeper of the minutes, the person appointed to witness the minutes and the official vote counters;
- d) key events and proposals made during the General Meeting;
- e) the draft resolutions and, for each resolution, the number of votes that may be and are actually cast in relation to each resolution, the share in the issued capital represented by those votes, the number of cast affirmative and negative votes and the number of abstentions.

The minutes are signed by the Chairman of the General Meeting and by the keeper of the minutes and are authenticated by the shareholder elected as the attestant to the minutes.

The Board of Directors shall submit the minutes of the General Meeting and the attendance list to the court of registry within a period of 30 (thirty) days after the close of the General Meeting.

Any shareholder may request a copy of the minutes of General Meetings or an extract of a part of the minutes from the Board of Directors.

The Company discloses the resolutions adopted at its General Meeting on its website.

10. BOARD OF DIRECTORS

10.1 Legal status of the Board of Directors

The Board of Directors is the Company's managing body.

The members of the Board of Directors must perform their tasks in the interest of the Company. The members of the Board of Directors shall be liable to the Company for the damages caused to the Company in the course of their management activities in accordance with the rules of responsibility for damages caused through breach of contract.

The Company is held responsible for damages caused to third parties by members of the Board of Directors proceeding in their competence. The member of the Board of Directors and the legal person are jointly and severally liable when the damage was caused intentionally.

10.2 Members of the Board of Directors

The Board of Directors consists of three members. The members of the Board of Directors are elected by the General Meeting. The Chairman of the Board of Directors is elected by the members from among themselves.

The members of the Board of Directors may be recalled by the General Meeting at any time, but the General Meeting may adopt an effective resolution on the recall of no more than one member of the Board of Directors on condition that no further members of the Board of Directors may be recalled within 6 (six) months from the date of the General Meeting's decision on the recall of the one member of the Board of Directors.

The first members of the Board of Directors appointed for an indefinite term from 17 April 2018:

Name:	György Péter Waberer
Home address:	1055 Budapest, Kossuth L tér 18. A. lház. II. em. 2.
Place and date of birth:	Sátoraljaújhely, 1 November 1956
Mother's name:	Margit Páles
Name:	Livia Wáberer
Home address:	1055 Budapest, Kossuth L tér 18. A. lház. II. em. 2.
Place and date of birth:	Sátoraljaújhely, 19 December 1981
Mother's name:	Éva Májer
Name:	Géza Czakó
Home address:	1164 Budapest, Takács u. 10.
Place and date of birth:	Abaújszántó, 19 July 1957
Mother's name:	Erzsébet Ruszkai

Subsequently appointed members of the Board of Directors shall not be identified in the Articles of Association.

10.3 Conditions for appointing a member of the Board of Directors

In accordance with the provisions of the REIT Act, only those persons may be appointed as members of the Board of Directors who satisfy all the following conditions below:

- a) has a university-level degree; and
- b) has at least three years of management experience; and
- c) has clean criminal record; and
- d) the appointment is not precluded by law, there are no reasons for conflict of interest and the person is not subject to any ban.

The requirement of management experience may be satisfied by time spent as an executive officer of a business association engaged in the activity for which the regulated real estate investment trust is authorized, or at a credit institution, investment firm, investment fund

manager, venture-capital fund management company, insurance company, reinsurance company or at another regulated real estate investment trust.

10.4 **Termination of the mandate of members of the Board of Directors**

The mandate of members of the Board of Directors may be terminated in the following cases:

- a) members of the Board of Directors may be recalled by the General Meeting;
- b) if their mandate is granted for a definite period, then on the expiry date of the definite period mandate;
- c) if the mandate is rendered subject to a condition for termination, when the condition is met;
- d) by resignation;
- e) with the death of a member of the Board of Directors;
- f) if the Board of Directors member's legal capacity is limited in the scope required for performing his/her functions;
- g) upon the occurrence of any grounds for exclusion of the member of the Board of Directors or any reason giving cause to conflict of interest.

A member of the Board of Directors may resign from their position in a declaration addressed to the Company, another member of the Company's Board of Directors or to the General Meeting at any time.

If so required by any vital interest of the Company, the resignation shall only take effect upon the delegation or election of a new member of the Board of Directors, or failing this on the sixtieth day after the announcement thereof.

If the members of the Board of Directors falls below three or operation otherwise becomes impossible or there is no person who could call a meeting, the Board of Directors shall inform the General Meeting of the Company.

10.5 **Rights and obligations of the members of the Board of Directors**

A member of the Board of Directors may acquire a share in a different business association that has the same main activity as the activity of the Company and may be an executive officer or a member of the Supervisory Board in another business association pursuing the same main activity as the Company.

The members of the Board of Directors may be executive officers in a credit institution, investment enterprise, investment fund manager, real estate appraisal firm, venture capital fund manager, insurer, reinsurer or a regulated real estate investment trust in which the Company does not have any participation.

If a member of the Board of Directors accepts a mandate for an executive officer, then they shall inform the Company of the acceptance of the new executive officer's mandate in writing in advance.

The members of the Board of Directors and their relatives may enter into transactions falling within the scope of the main activity of the Company in their own names and for their own benefit.

The members of the Board of Directors shall keep any trade secret obtained by them during the performance of their activity without any limitation in time.

10.6 **Scope of competence and responsibilities of the Board of Directors**

The tasks of the Board of Directors include everything that are not rendered into the exclusive competence of the General Meeting by the law or these Articles of Association, including especially, but not limited to, the following:

- a) management of the Company, control of the management activities of the Chief Executive Officer;
- b) keeping the Register of Shareholders at the Company;
- c) granting signatory rights to employees of the Company for a specific group of matters;
- d) elaboration of the bylaws of the Company and establishment of the working organisation of the Company;
- e) preparation and presentation of the annual financial statement of the Company prepared according to the Accounting Act and a proposal for the allocation of the profit after tax;
- f) keeping the business books of the Company in compliance with the regulations;
- g) developing a preliminary position and presentation of proposals on issues requiring a decision of the General Meeting; preparation of the annual and long-term technical programs of the Company, the annual financial development and business plans and business policy concepts and control of their execution;
- h) submission of a draft resolution for the election of the auditor of the Company;
- i) submission of the report presenting the corporate governance of the Company and prepared in a manner required from the companies listed on the Budapest Stock Exchange to the annual General Meeting;
- j) preparation of a report on the assets and liabilities and business policy of the Company for the General Meeting once a year and for the Supervisory Board quarterly;
- k) submission of mandatory reports to the authorities and other governmental agencies;
- l) acquisition of own shares on the basis of the authorisation of the General Meeting or in the course of a court procedure aimed at the settlement of any claim of the Company or within the framework of transformation;
- m) decision on all issues that are not rendered into the scope of the General Meeting by the law, the General Meeting or the Articles of Association.

The Board of Directors shall, with simultaneous notice to the Supervisory Board, inform the General Meeting within a period of 8 (eight) days in order to provide for the necessary measures, or initiate a decision-making process, whenever any member thereof becomes aware that:

- a) the Company's equity has dropped to two-thirds of the issued capital, or
- b) the Company's equity dropped below the minimal amount of the issued capital defined by law, or
- c) the Company is on the brink of insolvency or has stopped making payments, or
- d) the Company's assets do not cover its debts.

The members of the Board of Directors shall be entitled to bring court action seeking annulment of resolutions adopted by the General Meeting or other bodies of the Company, if the resolution is unlawful or violates the Articles of Association.

The detailed rules of operation of the Board of Directors are included in the rule of procedure prepared by the Board of Directors.

11. **Chief Executive Officer**

The Chief Executive Officer is a member of the Board of Directors who is elected for the position of the Chief Executive Officer by the General Meeting.

The daily management tasks of the Company are performed by the Chief Executive Officer. His competence includes decisions on all issues that are not rendered into the exclusive competence of the General Meeting or the Board of Directors.

The Chief Executive Officer shall exercise employer's rights over the Company's employees.

The Board of Directors as a body exercises the employer rights towards the Chief Executive Officer, other than the rights of appointment and recall, which fall within the competence of the General Meeting.

12. COMPANY REPRESENTATION AND SIGNATURE RIGHTS

12.1 Representation of the company

The members of the Board of Directors are the legal representatives of the Company.

The Board of Directors may authorise employees of the Company with a written declaration to represent the Company in a specific group of matters. The authorised employee representatives can only exercise their right of representation in the specific group of matters only jointly.

Any restriction of the power of representation vested upon the authorized representative of the Company registered in the registry of legal persons, or rendering such representative's actions conditional or subject to approval shall not be effective as against third parties, except if the third party knew, or should have known about the need for or the lack of such restriction.

12.2 Company signature

The individuals who have been granted a representation right are entitled to sign on behalf of the Company as authorised signatories in writing.

They are authorised to sign on behalf of the Company, in a manner and in the form as included in their authentic specimen signatures.

The following persons shall be entitled to sign on behalf of the Company:

- a) members of the Board of Directors, also including the Chief Executive Officer, individually, and
- b) two authorised employees jointly.

13. THE SUPERVISORY BOARD

13.1 Legal status of the Supervisory Board

The Supervisory Board is the Company's supervisory body. If according to the Supervisory Board, the activities of the management of the Company is contrary to the law or any provision of the Articles of Association, or the resolutions of the General Meeting or otherwise violate the interests of the Company or the General Meeting, the Supervisory Board shall immediately inform the General Meeting in this respect and make a proposal for appropriate measures.

The Supervisory Board determines its own rules of operation, its rules of procedure being approved by the General Meeting.

The Supervisory Board proceeds as a board. The inspection tasks may be divided among the members on a permanent basis or based on case-by-case decisions.

Supervisory Board members shall partake in the work of the Supervisory Board in person. Supervisory Board members shall be independent of the management of the Company, and shall not be bound by any instructions in performing their duties.

Members of the Supervisory Board shall be held liable for damages caused to the Company resulting from their omission of supervisory responsibilities in accordance with the provisions on liability for damages caused by non-performance of a contractual obligation.

13.2 **Members of the Supervisory Board**

The Supervisory Board is comprised of three natural persons. The mandate of the members of the Supervisory Board may be for a fixed or indefinite period.

The members of the Supervisory Board are elected by the General Meeting, its Chairman is chosen by them from among themselves.

The first members of the Supervisory Board appointed for an indefinite term from the effective date of the Articles of Association adopted on 17 April 2018:

Name:	Dr. Tibor Endre Illés
Home address:	2014 Csobánka, Panoráma utca 3.
Place and date of birth:	Zalaszentgrót, 5 February 1964
Mother's name:	Mária Németh
Name:	Miklós Marján
Home address:	1054 Budapest, Széchényi utca 12. 2. em. 15.
Place and date of birth:	Szakoly, 28 October 1956
Mother's name:	Margit Belme
Name:	Zsolt Grebicsaj
Home address:	1161 Budapest, Tavirózsa tér 1. 1. em. 4.
Place and date of birth:	Budapest, 13 July 1970
Mother's name:	Mária Chalupa

Subsequently appointed Supervisory Board members shall not be specified in the Articles of Association.

13.3 **Conditions for appointing a Supervisory Board member**

In compliance with the provisions of the REIT Act, only those persons may be appointed as members of the Supervisory Board who satisfy all the following conditions:

- a) has a university-level degree; and
- b) has at least three years of management experience; and
- c) has clean criminal record; and
- d) the appointment is not precluded by law, there are no reasons for conflict of interest and the person is not subject to any ban.

The requirement of management experience may be satisfied by time spent as an executive officer of a business association engaged in the activity for which the regulated real estate investment trust is authorized, or at a credit institution, investment firm, investment fund

manager, venture-capital fund management company, insurance company, reinsurance company or at another regulated real estate investment company.

The members of the Board of Directors and their relatives may not be elected into the Supervisory Board of the Company.

13.4 **Termination of the mandate of members of the Supervisory Board members**

The mandate of members of the Supervisory Board may be terminated in the following cases:

- a) mandate of the members of the Supervisory Board may be recalled by the General Meeting;
- b) in case of definite term mandate, upon expiry of the designated term of mandate;
- c) if the mandate is rendered subject to some condition for termination, when the condition is met;
- d) by resignation;
- e) in the event of the death of the Supervisory Board member;
- f) if the legal capacity of the member of the Supervisory Board is limited in the scope required for performing his/her functions;
- g) upon the occurrence of any grounds for exclusion of the Supervisory Board member or any reason giving cause to conflict of interest.

When membership in the Supervisory Board is terminated, the Supervisory Board member shall address the declaration of resignation to the Board of Directors.

If, for any reason, the number of the members of the Supervisory Board falls below three, the management of the Company must inform the General Meeting about it in order to restore the ordinary operation of the Supervisory Board.

13.5 **Rights and obligations of Supervisory Board members**

A member of the Supervisory Board may acquire a share in a different business association that has the same main activity as the activity of the Company and may be an executive officer or a member of the Supervisory Board in another business association pursuing the same main activity as the Company.

The members of the Supervisory Board may be executive officers in a credit institution, investment enterprise, investment fund manager, real estate appraisal firm, venture capital fund manager, insurer, reinsurer or a regulated real estate investment trust in which the Company does not have any participation.

If a member of the Supervisory Board accepts a mandate for an executive officer, then they shall inform the Company of the acceptance of the new executive officer's mandate in writing in advance.

The members of the Supervisory Board shall keep any trade secret obtained by them during the performance of their without any limitation in time.

13.6 **Scope of competence and responsibilities of the Supervisory Board**

The supervisory board member shall be entitled to bring court action seeking annulment of resolutions adopted by the General Meeting or other bodies of the Company, if the resolution is unlawful or violates the Articles of Association.

If a resolution adopted by the General Meeting or another body of the Company is challenged by an executive officer of the Company, and the Company remains without an executive officer

who can represent the Company, a member of the Supervisory Board appointed by the Supervisory Board shall represent the Company in the proceedings.

The Supervisory Board shall inspect all major proposals to be submitted to the General Meeting or the Board of Directors and present its position at the General Meeting or the meeting of the Board of Directors.

The General Meeting may adopt a resolution on the report prepared according to the Act C of 2000 and the allocation of the profit after taxation only based on a written report prepared by the Supervisory Board.

The consent of the Supervisory Board is required for the recommendation of the Board of Directors regarding interim dividends.

The Company may purchase any asset, the value of which exceeds 10% of the balance sheet total only with the prior approval of the Supervisory Board.

The Supervisory Board performs the ordered inspections with the involvement of its members or external experts.

The Supervisory Board monitors the Company's management for the General Meeting. The Supervisory Board may inspect the documents, accounting record and books of the Company, may request information from the executive officers and employees of the Company, may inspect the payment account, cash securities and goods portfolio and contracts of the Company or may engage an expert for the inspection.

14. AUDIT COMMITTEE

14.1 Legal status of the Audit Committee

The Audit Committee is a supervisory body of the Company. The Audit Committee provides assistance to the Supervisory Board or the Board of Directors in supervising the financial statement regime and in selecting and working with the auditor.

The Audit Committee proceeds as a board. The inspection tasks may be divided among the members on a permanent basis or based on case-by-case decisions.

Audit Committee members shall take part in the work of the Audit Committee in person. Audit Committee members shall be independent of the management of the Company, and shall not be bound by any instructions in performing their duties.

The Audit Committee determines its own rules of operation and its own rules of procedure.

14.2 Members of the Audit Committee

The Audit Committee consists of three natural person members, whose mandate is for a definite or indefinite period.

The members of the Audit Committee are elected by the General Meeting from the members of the Supervisory Board.

At least one member of the audit committee shall have competence in accounting or auditing.

The members of the Audit Committee shall jointly possess the professional knowledge related to the sector in which the Company operates.

The Chairman of the Audit Committee is chosen by them from among themselves.

The first members of the Audit Committee appointed for an indefinite term from the effective date of the Articles of Association adopted on 17 April 2018:

Name:	Dr. Tibor Endre Illés
Home address:	2014 Csobánka, Panoráma u. 3.
Place and date of birth:	Zalaszentgrót, 5 February 1964
Mother's name:	Mária Németh
Name:	Miklós Marján
Home address:	1054 Budapest, Széchenyi utca 12. 2. em. 15.
Place and date of birth:	Szakoly, 28 October 1956
Mother's name:	Margit Belme
Name:	Zsolt Grebicsaj
Home address:	1161 Budapest, Tavirózsa tér 1. 1. em. 4.
Place and date of birth:	Budapest, 13 July 1970
Mother's name:	Mária Chalupa

Subsequently appointed Audit Committee members shall not be identified in the Articles of Association.

14.3 **Conditions for appointing an Audit Committee member**

Considering that the General Meeting elects the members of the Audit Committee from the members of the Supervisory Board, the provisions of the REIT Act related to executive officers shall apply and therefore only such persons may be appointed as members of the Audit Committee who satisfies all the following conditions:

- a) has a university-level degree; and
- b) has at least three years of management experience; and
- c) has a clean criminal record; and
- d) the appointment is not precluded by law, there are no reasons for conflict of interest and the person is not subject to any ban.

The requirement of management experience may be satisfied by time spent as an executive officer of a business association engaged in the activity for which the regulated real estate investment trust is authorized, or at a credit institution, investment firm, investment fund manager, venture-capital fund management company, insurance company, reinsurance company or at another regulated real estate investment trust.

14.4 **Termination of the mandate of members of the Audit Committee**

The mandate of members of the Audit Committee may be terminated in the following cases:

- a) mandate of the members of the Audit Committee may be recalled by the General Meeting;
- b) in case of definite term mandate, upon expiry of the designated term of mandate;
- c) if the mandate is rendered subject to some condition for termination, when the condition is met;
- d) by resignation;

- e) by the death of the Audit Committee member;
- f) if the legal capacity of the Audit Committee member is limited in the scope required for performing his/her functions;
- g) upon the occurrence of any grounds for exclusion of the Audit Committee member or any reason giving cause to conflict of interest.

14.5 **Rights and obligations of Audit Committee members**

A member of the Audit Committee may acquire a share in a different business association that has the same main activity as the activity of the Company and may be an executive officer or a member of the Supervisory Board in another business association pursuing the same main activity as the Company.

If a member of the Audit Committee accepts a mandate for an executive officer, then he/she shall inform the Company of the acceptance of the new executive officer's mandate in writing in advance.

The members of the Audit Committee shall keep any trade secret obtained by them during the performance of their activity without any limitation in time.

14.6 **Scope of competence and responsibilities of the Audit Committee**

The Audit Committees provides assistance to the Supervisory Board in supervising the financial report regime in selecting an auditor, and in working with the auditor. Within this role:

- it monitors the effectiveness of the Company's internal quality control and risk management systems and its financial reporting process and submit recommendations or proposals where deemed necessary;
- it monitors the statutory audit of the annual financial statement, taking into account any findings and conclusions by the authority in charge of the public oversight of auditors as provided for in Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors (hereinafter referred to as "Auditors Act") made during the quality assurance review provided for in the Auditors Act;
- it reviews and monitors the independence of auditors or the audit firms in accordance with the relevant legislation, and in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

The Audit Committee prepares a written report for the General Meeting on its findings relating to the issues falling within its scope at least 21 (twenty-one) days prior to the General Meeting.

The General Meeting may adopt a resolution on the report prepared according to the Act C of 2000 and the allocation of the profit after taxation only based on a written report prepared by the Audit Committee.

The Audit Committee may inspect the documents, accounting record and books of the Company, may request information from the executive officers and employees of the Company, may inspect the payment account, cash securities and goods portfolio and contracts of the Company or may engage an expert for the inspection.

15. STATUTORY AUDITOR

15.1 Auditor's task and responsibility

The statutory auditor appointed by the Company shall be responsible for providing an independent audit report following the auditing of the Company to determine as to whether the annual financial statement of the business association is in conformity with legal requirements, and whether it provides a true and fair view of the Company's assets and liabilities, financial position and profit or loss.

In order to perform their duties, the auditor may inspect the documents, accounting record and books of the Company, may request information from the members of the Board of Directors and the members of the Supervisory Board and employees of the Company and may inspect the bank account, petty cash, securities and goods portfolio and contracts of the Company.

Should the statutory auditor detect any changes in the Company's assets that are likely to jeopardize its ability to satisfy any claims filed against the Company, or learn of any circumstance which entails the liability of the members of the Board of Directors or Supervisory Board members with respect to their activities performed in that capacity, the auditor shall forthwith request the Board of Directors to take immediate action to the extent required for enabling the General Meeting to take the necessary decisions.

The statutory auditor may not provide any service to the Company, and may not collaborate with the Board of Directors in a way that may impede the auditor's ability to carry out his/her auditing duties objectively and independently.

The statutory auditor shall be invited to the General Meetings discussing the annual financial statement the Company, which they must to attend. The absence of the auditor shall not prevent the holding of the session.

The auditor may attend the meeting of the Supervisory Board with consultation rights and may be invited to attend the meeting by the members of the Supervisory Board, in which case the auditor must attend the meeting. The Supervisory Board must place onto their agenda the matters raised by the auditor.

The auditor shall have a duty to promptly inform the Company, the national tax authority and the National Bank of Hungary acting in its capacity as supervisory authority of the financial intermediary system, in writing, of any fact of which he has become aware while carrying out that task which is liable to:

- a) lead to a qualified or adverse audit opinion, or a disclaimer of opinion by the statutory auditor;
- b) constitute a criminal offence or a material breach of the internal rules and regulations of the Company as a regulated real estate investment company;
- c) constitute a material breach of the REIT Act or other regulations;
- d) result in any uncertainty as to the ability of the Company to meet its liabilities and commitments, or safeguard the assets entrusted to it;
- e) indicate that the Company's activities fail to guarantee the investors' interest;
- f) constitute serious deficiencies or shortcomings in the internal control regime and compliance functions of the Company;
- g) result in a considerable difference of opinion between the auditor and the Company regarding issues affecting the solvency, income, data disclosure or accounting of the Company, which are considered essential from the point of view of operating as a regulated real estate investment trust.

15.2 Election of the auditor

The statutory auditor of the Company is elected by the General Meeting for a definite term of maximum 5 (five) years.

The Board of Directors shall enter into an engagement contract with the auditor within 90 (ninety) days following the date of appointment, pursuant to the terms and conditions and subject to the remuneration specified by the General Meeting. If the contract is not concluded within the specified time limit, the General Meeting shall elect a new auditor.

The term of the statutory auditor's mandate may not be less than the period beginning when the auditor is appointed by the General Meeting and ending at the time of the meeting convened to approve next year's annual financial statement.

The statutory auditor may be an individual auditor or an audit firm shown in the register of auditors. Where auditing services are provided by an audit firm, the firm shall be required to designate the person who will be personally responsible for carrying out the audits.

A shareholder, member of the Board of Directors, member of the supervisory of the Company or their relatives may not serve as the statutory auditor. An employee of the Company may not serve as the statutory auditor during the period of employment and for a period of three years thereafter.

The a member of the chamber of auditors (audit firm), who is a certified auditor may only be commissioned for performing auditing services if

- a) the auditor does not have any, direct or indirect, ownership interest in the Company;
- b) the auditor does not have any overdue claim owed by the Company or its special purpose company,
- c) the Company and its owner with a potentially qualifying interest does not have any, direct or indirect, ownership interest in the audit firm.

The restrictions specified in points a) and b) above must also apply to the close relative of the auditor in accordance with the Civil Code.

The first auditor of the Company from 8 January 2018 for the 2018 financial year, until the shareholders' resolution approving the financial statement closing the 2018 financial year is adopted, but no later than until 31 May 2019:

Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság

registered seat: 1132 Budapest, Váci út 20.
company registration number: 01-09-267553
chamber registration number: 001165

person personally responsible for the audit:

Zsuzsanna Bartha
mother's name: Ilona Németh
address: 5900 Orosháza, Rákóczi út 25.
chamber membership number: 005268

The auditor appointed after the first auditor of the Company shall not be identified in the Articles of Association.

16. TERMINATION OF THE COMPANY

The Company shall terminate, if

- a) the General Meeting resolves its termination without a legal successor;
- b) the General Meeting resolves its termination with legal succession;
- c) it is declared terminated by the court of registration;
- d) it is terminated by the court during liquidation proceeding.

If the Company is terminated without a legal successor - unless there is a liquidation procedure initiated due to insolvency – a voluntary dissolution shall be initiated.

17. MISCELLANEOUS

17.1 Notices

Whenever the Civil Code or Act V of 2006 on Public Company Information, Company Registration and Winding-Up Proceedings, or Act CXX of 2011 on the Capital Market (“Capital Market Act”) or any other legal regulation obliges the Company to publish an announcement, the Company fulfils that obligation on its website (www.bilk.hu), on the website of BSE (www.bet.hu) and, when the legal regulation expressly provides so, on the website operated by Magyar Nemzeti Bank (www.kozzetetelek.hu).

17.2 The legal declarations made by the shareholders to the Company are valid when they are included in public deed or in a private document with full probative force.

17.3 With regard to any issue not regulated in these Articles of Association, the provisions of the Civil Code, the REIT Act and the Capital Market Act shall prevail.

Budapest, 17 April 2018

The date of entry into force of these Articles of Association shall be the date of the listing of the Company's shares on the Budapest Stock Exchange.

BILK Holding Kft.
represented by.: Géza Czakó
Managing Director
shareholder

VKH Kft.
represented by.: Géza Czakó
Managing Director
shareholder

Géza Czakó
shareholder

Prepared and countersigned in Budapest, on 17 April 2018, by:

dr. Ágnes Niederfiringer attorney-at-law
(Illés és Társai Ügyvédi Iroda; 1055 Budapest, Szalay utca 4. VI. em.)
BAR ASSOCIATION NUMBER: 36066305