



Proposal
to the Board of Directors of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.
exercising the powers of the General Meeting

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. (registered office: 1033 Budapest Polgár utca 8-10.; Company Registration No.: 01-10-042813; website: www.bif.hu; hereinafter: the “Company”) hereby informs the market players of the money and capital market that the Board of Directors has prepared its proposals for the 2021 annual General Meeting in compliance with the provisions of Gov. Decree 502/2020. (XI.16.) reintroducing different provisions regarding the operation of personal and capital pooling organizations during the emergency and publishes the same together with its motions pertaining to the individual agenda items and the Annexes to the proposal, providing that they shall be decided on by the Board of Directors of the Company on 27 April 2021.

Agenda item No. 1:

- *Report of the Board of Directors of the 2020 business activity of the Company*
- *Report of the Auditor on the 2020 Financial Statements and Consolidated Financial Statements of the Company prepared by the Company in accordance with the Financial Reporting Standards (IFRS) Parent Company and consolidated financial statements and the related the Related Consolidated Business (Management) Reports*
- *Report of the Audit Committee t on the audited Annual Financial Statements and Consolidated Financial Statements of the Parent Company and consolidated financial statements and the related the related Consolidated Business (management) Reports*
- *approval of the unique and consolidated Annual Financial Statements prepared for 2020 in accordance with the International Financial Reporting Standards (IFSR) and the Related Business (management) Reports*
- *Decision on the distribution of profit of year 2020 after taxation, and determination of the dividend against the profit of 2020*

With regard to the fact that the Company is a regulated real estate investment company as defined in Act CII of 2011 on Regulated Investment Companies (hereinafter: the REIT Act), the Company proposes, pursuant to paragraph c) of Section (3) of Article 3 of the REIT Act, that the Annual General Meeting should approve the payment of dividend of an amount corresponding, as a minimum, to the expected amount and that such dividend should be paid, subject to approval, 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 special regard to the relevant provisions of the REIT Act, the Board of Directors proposes the payment of dividend in the amount of 2,041,399 thousand HUF corresponding to 90% of the available retained earnings of the subject year based on the audited Annual Financial Statements of the Parent Company prepared for 2020 in accordance with the International Financial Reporting Standards (IFRS), in accordance with the expected dividend according to the REIT Act should be paid as dividend. The Board of Directors reminds the shareholders that the Board of Directors exercising the powers of the General Meeting may also decide, in view of creating reserves, not to pay any dividend for 2020, with special regard to the current and planned developments of the Company.

If the Board of Directors exercising the powers of the General Meeting of the Company decides to pay dividend, the Board of Directors shall publish a notice with the detailed conditions and process for the payment of the dividend following the date of passing the relevant resolution. The closing date to be indicated in the notice on the Annual General Meeting of 2021 deciding on the payment of dividend shall be set out in the notice of the Board of Directors regarding the dividend payment.

The major financial data of the Company's audited Annual Financial Statements for 2020 prepared in accordance with the International Financial Reporting Standards (IFRS) are as follows:

Total assets:	HUF 65 470 528 th
Equity:	HUF 42 358 140 th
Sales revenues:	HUF 4 751 723 th
Profit before taxes:	HUF 4 486 760 th
Retained earnings:	HUF 4 472 127 th

The Board of Directors proposes that the Board of Directors exercising the powers of the General Meeting adopt the Report of the Board of Directors attached in Annex 1 and the audited Annual Financial Statements of the Parent Company for 2020 prepared in accordance with the International Financial Reporting Standards (IFRS) and the Business (management) Report for 2020 attached in Annex 2.

Based on the Auditor's Report attached in Annex 3, the Auditor proposes the adoption of the Annual Financial Statements of the Parent Company for 2020 prepared in accordance with the International Financial Reporting Standards (IFRS).

In the Report of the Audit Committee attached in Annex 4, the Audit Committee proposes the adoption of the Report of the Board of Directors and the audited Annual Financial Statements of the Parent Company for 2020 prepared in accordance with the International Financial Reporting Standards (IFRS) and the Business (management) Report for 2020.

The Company consolidated Harsánylejtő Kft, held by the Company directly as exclusive owner, in its audited Consolidated Annual Financial Statements for 2020 prepared in accordance with the International Financial Reporting Standards (IFRS).

The major data of the 2020 annual report of Harsánylejtő Kft. are as follows:

Total assets:	HUF 778 913 th
Equity:	HUF -30 295 th
Sales revenues:	HUF 1 437 513 th
Profit before taxes:	HUF -456 416 th
Retained earnings:	HUF -456 416 th

The major data of the Company's audited Consolidated Annual Financial Statements for 2020 prepared in accordance with the International Financial Reporting Standards (IFRS) are as follows:

Total assets:	HUF 65 700 807 th
Equity:	HUF 42 246 342 th
Sales revenues:	HUF 6 189 236 th
Profit before taxes:	HUF 4 981 082 th
Retained earnings:	HUF 4 956 599 th

The Board of Directors proposes that the Board of Directors exercising the powers of the General Meeting adopt the audited Consolidated Annual Financial Statements of the Company Group for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS), and the Consolidated Business (management) Report for 2020, attached in Annex 5.

Based on the Auditor's Report attached in Annex 6, the Auditor proposes the adoption of the Consolidated Annual Financial Statements of the Company Group for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS).

In the Report of the Audit Committee attached in Annex 4, the Audit Committee proposes the adoption of the audited Consolidated Annual Financial Statements of the Company Group for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS), and the Consolidated Business (management) Report for 2020.

Motions regarding Agenda item 1:

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has acknowledged and approved the Auditor's Report on the Annual Financial Statements of the Parent Company prepared for 2020 in accordance with the International Financial Reporting Standards (IFRS) and the related Business (management) Report.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has acknowledged and approved the Auditor's Report on the Annual Consolidated Financial Statements of the Company Group, prepared for 2020 in accordance with the International Financial Reporting Standards (IFRS) and the related Consolidated Business (management) Report.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has acknowledged and approved the report of the Audit Committee on the audited Annual Financial Statements of the Parent Company, prepared for 2020 in accordance with the International Financial Reporting Standards (IFRS), on the Business (Management) Report of the Parent Company and on the Report of the Board of Directors.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has acknowledged and approved the Report of the Auditor Committee on the audited Annual Consolidated Financial Statements of the Company Group, prepared for 2020 in accordance with the International Financial Reporting Standards (IFRS), and the related Consolidated Business (management) Report.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has acknowledged and approved the Report of the Board of Directors on the business year of 2020.

...Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has acknowledged and approved the audited Annual Financial Statements of the Parent Company for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS), and the Business (management) Report of the Parent Company, with the balance sheet total of HUF 65,470,528 thousand and an equity of HUF 42,358,140 thousand as indicated in the proposal.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has acknowledged and approved the audited Consolidated Annual Financial Statements of the Company Group for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS), and the Consolidated Business (management) Report of the Parent Company, with the balance sheet total of HUF 65,700,807 thousand and an equity of HUF 42,246,342 thousand as indicated in the proposal.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

With special regard to the relevant provisions of Act CII of 2011 (hereinafter: the “REIT Act”), the Board of Directors resolved to pay dividend in the amount of HUF 2,041,399 thousand corresponding to 90% of the available retained earnings of the subject year based on the audited Annual Financial Statements of the Parent Company for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS), in accordance with the expected dividend according to the REIT Act.

Agenda item No. 2:

Resolution on the Board of Directors discharging the members of the Board of Directors holding a director position in the Company in 2020 for the business year 2020

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 2020 applied for a discharge in respect of their management activity performed in business year 2020. 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 granting the discharge shall fall within the exclusive powers of the General Meeting. On the basis of the discharge, the Company may claim damages from the members of the Board of Directors on the grounds of the violation of their management responsibilities, if the facts or data underlying the granting of the discharge were untrue or incomplete.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has resolved to grant the discharge to the members of the Board of Directors holding director position in the Board of Directors of the Company regarding their activities in 2020.

Agenda item No. 3:

Resolution on the appointment of the Auditor

The appointment of the INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Kft. for auditing expires on 15 May 2021, with the closing of the business year of 2020, 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 2021 and 15 May 2022 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: 10272172-2-42;



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 No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors appoints 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 2021 and 15 May 2022.

Agenda item No. 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. According to Annex 7 hereof, the Audit Committee proposed that the Auditor's fee for the business year of 2021 should be HUF 6,500,000 + VAT. Motions of the Board of Directors for the item on the agenda:

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has resolved that the members of the Board of Directors shall perform their duties arising from their membership in the Board of Directors without remuneration in the business year of 2021, providing that the President of the Board of Directors shall be entitled to other benefits as provided in the Remuneration Policy.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has resolved that each member of the Audit Committee shall perform his/her duties in the business year of 2021 in consideration for a monthly gross salary of HUF 300,000.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has resolved that the permanent auditor of the Company shall be entitled to a fee of HUF 6,500,000 +VAT for auditing the Annual Financial Statements of the Parent Company and the Annual Consolidated Financial Statements of the Company Group, prepared in accordance with the International Financial Reporting Standards (IFRS), in the business year of 2021.

Agenda item No. 5:

Decision on the approval of the Responsible Corporate Governance Report

Pursuant to Article 3:289 of the Civil Code, the Board of Directors is required to submit a Responsible Corporate Governance Report to the Annual General Meeting. By its resolution of April 19, 2021, the Board of Directors approved the Report of the Board of Directors on the Corporate

Governance Recommendations of the Budapest Stock Exchange, attached hereto in Annex 8, which it proposes to be adopted by the Board of Directors exercising the powers of the General Meeting with the content contained therein.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors has approved the Responsible Corporate Governance Report of the Company for 2020, drafted with regard to the Responsible Corporate Governance Recommendations of the Budapest Stock Exchange on a separate sheet.

Agenda item No. 6:

Resolution on the authorisation of the Board of Directors to acquire treasury shares.

The Board of Directors proposes to the Board of Directors exercising the powers of the General Meeting to authorize the Board of Directors to purchase treasury shares for a period of 18 months from the date of the resolution of the Board of Directors exercising the powers 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 lowest amount of consideration payable for one treasury share is HUF 1 and the highest amount payable shall be 150% of the average stock exchange price of the 180 days' period before the date of the transaction, to be weighted with traffic.
5. The authorization is valid until 27 October 2022.
6. The Company shall disclose the data related to treasury shares and transactions affecting them in compliance with the legislation in force.
7. To other conditions for the acquisition of treasury shares, the Civil Code shall apply.

The Board of Directors informs the shareholders of its new transactions concluded in 2020 concerning the treasury shares of the Company, thus meeting its obligation set out in Article 3:223, Section (4) of the Civil Code:

On 24 June 2020, the Company acquired 5,200,000 shares issued by the Company at the price of HUF 250 each, in a transaction concluded outside Budapest Stock Exchange, in the interest of developing and maintaining the services provided to the customers of the Company. As a result of such transaction, the number of the treasury shares of the Company changed to 35,340,000.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:

The Board of Directors authorizes the Board of Directors to purchase treasury shares. According to the authorization, the Board of Directors may resolve that the Company should purchase registered ordinary shares issued by the Company with a par value of HUF 10 each. The lowest amount of consideration payable for one treasury share is HUF 1 and the highest amount payable shall be 150% of the average stock exchange price of the 180 days' period before the date of the transaction, to be weighted with traffic. The authorization shall be valid for a specified period from the date of the resolution of the Board of Directors exercising the powers of the General Meeting until 27 October 2022. The maximum value of treasury shares obtained by the Company based on the authorization may be 25% of the registered capital at the most. The Board of Directors hereby acknowledges the information provided in Article 3:223, Section (4) of the Civil Code relevant to the treasury share transaction in 2020.

Agenda item No. 7:***Advisory voting on the amendment of the Remuneration Policy of the Company***

Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and Amending Certain Laws for Regulatory Harmonization Purposes, which requires public companies limited by shares to draw up and mandatorily apply a remuneration policy, took effect on 17 July 2019. The Remuneration Policy as restated and amended and put forward to the Board of Directors exercising the powers of the General Meeting for advising is attached hereto in Annex 9. Changes exclusively affect other benefits to the president of the Board of Directors and executive officers (printed in underlined italics in the text of the amended Remuneration Policy). The Remuneration Policy as restated and amended shall apply from year 2021.

Motion for resolution No. .../27.04.2021 of the Board of Directors exercising the powers of the General Meeting:**The Board of Directors advises the approval of amendment No. 1 of the Remuneration Policy of the Company as restated and amended.**

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), the website of the Magyar Nemzeti Bank (www.kozzetetelek.mnb.hu) or the website of the Company (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	251 684 440	1	251 684 440	35 340 000

The number of voting rights is not the same with the number of issued shares due to the amount of treasury shares.

Annexes

Annex 1 – The Report of the Board of Directors on the business activity of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt in the business year of 2020

Annex 2 – The audited Annual Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS) and the Business (management) Report of the Parent Company for 2020

Annex 3 – The Auditor's Report on the Annual Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS) and the Business (management) Report of the Parent Company for 2020

Annex 4 – The Report of the Audit Committee on the Report of the Board of Directors, and the audited Annual Financial Statements of the Parent Company and the audited Consolidated Annual Financial Statements of the Company Group for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS), and the related Business (management) Reports for 2020.

Annex 5 – The audited Consolidated Annual Financial Statements, prepared in accordance with the International Financial Reporting Standards (IFRS), and the Consolidated Business (management) Report of the Company Group for 2020



Annex 6 – The Auditor’s Report on the Consolidated Annual Financial Statements, prepared in accordance with the International Financial Reporting Standards (IFRS), and the Consolidated Business (management) Report of the Company Group for 2020

Annex 7 – The recommendations of the Audit Committee concerning agenda items 3 and 4 of the proposal (appointment and determining the remuneration of the Auditor)

Annex 8 – The Responsible Corporate Governance Report of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. on the business year of 2020

Annex 9 – The Remuneration Policy of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.

This proposal and the Annexes hereof were published in Hungarian and English languages. In the event of any conflict between the versions, the Hungarian language version shall prevail.

Budapest, 19 April 2021

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.

Board of Directors