

Annex no. 1 – Proposal and Draft Resolution

**SUBMISSIONS AND PROPOSALS FOR RESOLUTIONS**

**regarding the EXTRAORDINARY GENERAL MEETING of  
Appeninn Vagyonkezelő Holding Nyilvánosan Működő Részvénytársaság  
held on 5<sup>th</sup> November 2019 at 10:00 AM**

The Board of Directors of **Appeninn Vagyonkezelő Holding Nyilvánosan Működő Részvénytársaság** (registered seat: 1062 Budapest, Andrásy út 59.; company registration number: 01-10-046538; court of registration: Company Registry Court of Budapest-Capital Regional Court; „**Company**”) hereby respectfully informs the Esteemed Shareholders on its submissions and proposals for resolutions regarding the agenda items of the extraordinary general meeting of the Company („**General Meeting**”) to be held on 5th November 2019.

Proposal for Agenda Item no. 1:

**Decision on granting authorisation to Appeninn Vagyonkezelő Holding Nyrt.’s Board of Directors to issue bonds**

In order to reduce money market risks and accomplish its growth plans, the Company wishes to participate in the Bond Funding for Growth Scheme (BGS) launched by the National Bank of Hungary (hereinafter: “MNB”) on 1 July 2019. Through completing an independent credit rating procedure by 1 October 2019, the Company had met the prerequisite for participation in the BGS announced by MNB. The Company was rated by the international credit rating agency Scope Ratings GmbH, who assigned a BB rating to the Company’s bonds planned to be issued in the future, and rated the Company B+, above the investment level expected by MNB (<https://www.mnb.hu/monetaris-politika/novekedesi-kotvenyprogram-nkp>).

According to the proposal of Appeninn Vagyonkezelő Holding Nyrt.’s Board of Directors, the Company plans to issue bonds with a maturity up to 10 years in a maximum amount of HUF 20 billion, i.e. twenty billion forints, in order to mitigate the Company’s money market risks and to accomplish its growth plans.

The planned bond issue may take place after the shareholders’ authorisation.

The Company’s Board of Directors has thoroughly analysed the benefits and limits of the securities to be issued with receivables from loans pledged as collateral.

**Benefits:**

- They ensure the current favourable fixed interest rate over the term of 10 years
- Use irrespective of a loan purpose
- Retention of the ownership structure and autonomy
- Direct fund raising
- Provision of a growth strategy
- Denomination in domestic currency - exchange rate risk is ruled out

**Limits:**

- The total principal will be repaid at the end of the term

- Yield is expected between 2.5 and 3.0%

In light of the information on the securities issued with receivables from loans pledged as collateral and based on the criterion of a private issue (faster issue, known investors, less documentation requirement and lower costs), pursuant to the Statutes in force, the Company's Board of Directors recommends the adoption of the following resolution.

Draft Resolution no. [...] /2019. (XI.05.)

*The General Meeting authorises Appeninn Vagyonkezelő Holding Nyrt.'s Board of Directors to issue bonds in Appeninn Vagyonkezelő Holding Nyrt.'s name, in the framework of a private offering, in accordance with the conditions specified by the National Bank of Hungary for a successful participation in the National Bank of Hungary's Bond Funding for Growth Scheme. The General Meeting of the members has also authorised the Board of Directors of Appeninn Vagyonkezelő Holding Nyrt. to determine the details required for bond issuance and to issue the bonds.*