

## CALL FOR TENDER

**Public tender for the sale of the corporate participation (shares) of the Hungarian State held in GRÁNIT Bank Zártkörűen Működő Részvénytársaság based on the provisions of Government Decree No. 254/2007. (X.4.) on the Management of State Property**

### I. INTRODUCTION

#### 1. The purpose and nature of this tender

The Ministry for National Economy (registered seat: 1051 Budapest, József nádor tér 2-4.; hereinafter: “**Offeror**” or “**MNE**”), exercising the ownership rights of the Hungarian State, hereby announces a **two-round public tender for the sale of the shares in GRÁNIT Bank Zártkörűen Működő Részvénytársaság** (registered seat: 1095 Budapest, Lechner Ödön fasor 8.; company registration number: 01-10-041028; registered by the Metropolitan Court acting as court of registration; tax number: 10189377-2-44; hereinafter: “**Bank**”) **owned by the Hungarian State and with the Offeror exercising the ownership rights** (hereinafter: “**Sale Shares**”).

This tender was issued (i.e. the approval of the call for tender and the related documents took place) pursuant to the relevant decision of the Minister of National Economy, while the process will be conducted pursuant to the provisions of Act CVI of 2007 on State Property (hereinafter: “**State Property Act**”), and Government Decree 254/2007. (X.4.) on the Management of State Property (hereinafter: “**Government Decree**”). The present call for tender shall be interpreted together with the provisions of the detailed call for tender specified in section 33 (1) of the Government Decree. In case of any discrepancy between the two documents, the provisions of this call for tender shall prevail.

#### 2. Publication of this call for tender

In accordance with section 32 (2) of the Government Decree, this call for tender is published on the government portal, (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium>) and in the Világgazdaság daily newspaper.

### 3. Data and contact details of the Offeror

Name:	Ministry for National Economy
Registered seat:	1051 Budapest, József nádor tér 2-4.
Postal address:	1369 Budapest, Pf.: 481.
Name and position of the contact person:	Ferenc Geist, transaction advisor, Ernst & Young Tanácsadó Kft.
E-mail address of the contact person:	<a href="mailto:ferenc.geist@hu.ey.com">ferenc.geist@hu.ey.com</a>
Postal address of the contact person:	1132 Budapest, Váci út 20.
Phone number of the contact person:	+36 1 451 8798

## II. DESCRIPTION AND VALUE OF THE ASSET TO BE SOLD

The Sale Shares to be sold and issued by the Bank and exclusively owned by the Hungarian State with MNE exercising the ownership rights, comprise the following Sale Shares:

- a. **3,100,819, i.e. three million one hundred thousand eight hundred nineteen** dematerialized ordinary shares, each having a nominal value of HUF 1,000 (ISIN: HU0000094149);
- b. **1, i.e. one** "A" type preferential share for the appointment of an executive officer, having a nominal value of HUF 1,000 (ISIN: HU0000123153);
- c. **1, i.e. one** "B" type preferential share for the appointment of a supervisory board member, having a nominal value of HUF 1,000 (ISIN: HU0000123161); and
- d. **1, i.e. one** "C" type preferential share with the right of first refusal, having a nominal value of HUF 1,000 (ISIN: HU0000123179).

The current statutes of the Bank and the detailed call for tender contain the rights and obligations related to the Sale Shares in accordance with the provisions of the Government Decree.

### III. ESSENTIAL CONDITIONS OF THE SALE PROCESS, PAYMENT METHOD

1. The announcement day of the tender is the day when this call for tender is published on the government portal (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium>).
2. The tender with respect to the sale of the Sale Shares is public and consists of two rounds. At the end of the first round, the bidders shall submit an indicative, non-binding offer (hereinafter: "**Indicative Offer**") by 1 September 2017 at the latest, following which, the selected bidders entering the second round will be determined based on the criteria set forth in the detailed call for tender. At the end of the second round, the bidders shall submit a final binding offer (hereinafter: "**Final Binding Offer**") by 12 October 2017 at the latest. The preferred bidder will be selected – in accordance with the criteria stipulated in the detailed call for tender – based on the content of the Final Binding Offers.
3. Valid offers can be submitted only for all of the Sale Shares (for **3,100,822** shares), indicating the purchase price (hereinafter: "**Purchase Price**"). The Purchase Price shall be indicated in HUF. The preferred bidder, upon the signing date of the final sale and purchase agreement relating to the Sale Shares, shall duly evidence (by way of placement into escrow, a bank guarantee, a credit promissory note, or in any other manner acceptable to the Offeror) that the amount of the Purchase Price will be available at the closing of the sale and purchase agreement relating to the Sale Shares. The Purchase Price shall be paid in one lump sum, by way of bank transfer, at the time of the financial closing of the final sale and purchase agreement relating to the Sale Shares.
4. The bidder is obliged to maintain its submitted Final Binding Offer for 90, i.e. ninety days following the submission deadline (binding offer).
5. The Offeror does not require collateral for the tender.
6. The detailed call for tender contains the detailed rules of the tender process. The tender offer can be considered as valid only if it complies with the offer criteria set out in the present call for tender and the detailed call for tender. The offer made by the bidder (may it be the Indicative Offer or the Final Binding Offer) will be declared invalid for other reasons of invalidity defined in this detailed call for tender, including, in particular but not exclusively, in the following cases:
  - a. the offer is submitted by a bidder who has not been preliminarily registered;
  - b. the offer is submitted by a bidder which is not considered a transparent entity pursuant to Act CXCVI of 2011 on National Property;
  - c. the bidder provides false data or makes a false statement or a manifestly unfounded offer;
  - d. the bidder has any overdue public debt;
  - e. the bidder has any outstanding debt towards MNE; or

f. the bidder is undergoing winding-up, bankruptcy or liquidation.

#### **IV. REQUIREMENTS AND METHOD OF SUBMITTING THE TENDER APPLICATION, PLACE AND TIME OF SUBMISSION, EVALUATION ASPECTS**

1. The condition to participate in the tender process is the preliminary registration of the bidder, after which, the detailed call for tender described in the Government Decree and its attachments will be provided to the bidder free of any charge as an attachment to an e-mail protected by a password, sent to the e-mail address provided.
2. Any legal or natural person may request its preliminary registration provided that it is considered a transparent entity (in Hungarian: “*átlátható szervezet*”) pursuant to Act CXCVI of 2011 on National Property; provided that the legal or natural person involved (i) pursuant to section 125 of Act CCXXXVII of 2013 on Credit Institutions and Financial Institutions (hereinafter: “**Banking Act**”) is entitled to acquire an ownership stake in a credit institution, and (ii) it complies with the requirements set forth in section 27 (1) of the Government Decree.
3. Preliminary registration may be requested by way of sending an application to the contact person designated by the Offeror, Mr. Ferenc Geist, to the postal address indicated in section I./3 (and at the same time to the e-mail address [ferenc.geist@hu.ey.com](mailto:ferenc.geist@hu.ey.com) to the attention of the contact person) by 28 August 2017 at the latest, and attaching the duly completed and executed “Declaration for Tender Application” attached to this call for tender (in Hungarian: “*Pályázatra való jelentkezési nyilatkozat*”). An application can be considered as valid by the Offeror, only if it is duly signed (in Hungarian: “*cégszerű aláírás*”) or in the case of a natural person, if it is issued in the form of a private deed with full probative force (in Hungarian: “*teljes bizonyító erejű magánokirat*”).

The following documents shall be attached to the application (the certified translation to Hungarian is also required in the case of documents issued in foreign languages):

##### **In the case of companies (in Hungarian: “*gazdasági társaság*”):**

- a. an original or a copy certified by a notary public of the (i) company extract not older than 30 days or (ii) the certificate of the country of residence that includes at least the fact of the registration and the date thereof, the amount of registered capital, the owners of the company and those who are authorized to represent the company; and
- b. an original or a copy certified by a notary public, of the certified signature statement (specimen signature (in Hungarian: “*aláírási címpéldány*” or “*aláírás minta*”), or the equivalent of these documents in the country of incorporation); and
- c. an original or a copy certified by a notary public, of the consolidated version of the effective articles of association containing all amendments.

**In the case of other entities:**

- a. an original or a copy certified by a notary public, of the resolution on incorporation of the entity; and
- b. an original or a copy certified by a notary public, of a declaration certifying the right of signing on behalf of the entity (specimen signature, or the equivalent of this document in the country of incorporation); and
- c. an original or a copy certified by a notary public, of the consolidated version of the effective articles of association of the entity, containing all amendments.

**In the case of all natural or legal persons:**

- a. if the bidder is acting under a proxy, the respective power of attorney shall be attached in the form of a notarial document or in a private deed with full probative force; and
  - b. the documents evidencing that the legal or natural person requesting preliminary registration complies with the requirements set out in section IV/2 above.
4. The Offeror may request additional documents and information from the bidders if on the basis of the tender application and the attached documents, it cannot be undoubtedly verified that the legal person or natural person requesting preliminary registration complies with the requirements set out in section IV/2 above.
  5. In the event the application complies with the requirements set out above, the Offeror shall send a confidentiality declaration prepared in accordance with section 33 (4) of the Government Decree to the bidder within 3, i.e. three working days following receipt of the complete application, which shall be returned by the bidder to the postal address of the contact person (1132 Budapest, Váci út 20.) (and at the same time electronically to the e-mail address [ferenc.geist@hu.ey.com](mailto:ferenc.geist@hu.ey.com) to the attention of the contact person). After receipt of the duly signed confidentiality declaration, the Offeror shall send the detailed call for tender and its attachments within 3, i.e. three working days to the bidder via e-mail.
  6. The Indicative Offer and the Final Binding Offer shall be prepared in Hungarian, submitted personally or by an authorized proxy, in a closed envelope without any letterhead, bearing only the inscription "Aranyalma Projekt" in at least 5, i.e. five copies (of which each page of one copy shall be original and duly signed, or in the case of natural persons, originally signed by the bidder or signed by the proxy on every page) sent to the following address: Nemzetgazdasági Minisztérium, Pénzügyekért Felelős Államtitkárság (1051 Budapest, József nádor tér 2-4.), to the attention of state secretary, Ms. Ágnes Hornung. Further details on the above are described in the detailed call for tender.

The submission deadline for the Indicative Offers is 1 September 2017, 1 p.m. and for the submission of the Final Binding Offers is 12 October 2017, 1 p.m. The Offeror will open the envelopes in the presence of a notary public on the same day. The opening is not public.

7. Based on paragraph (1) of section 40 of the Government Decree, the Offeror determines the aspects for the evaluation of the Final Binding Offers as follows:

#	Evaluation Criteria	Description of the Evaluation Criteria	Weighting
1.	<b>Cash Consideration</b>	Amount of the Cash Consideration (which has the meaning defined in the detailed call for tender) offered by the Selected Bidder for the Sale Shares	75%
2.	<b>Certainty of closing</b>	Certainty of closing, that is consummation of the sale and purchase agreement regarding the Sale Shares	10%
3.	<b>SPA</b>	The scope and nature of the changes contained in the Final Mark Up (which has the meaning defined in the detailed call for tender) compared to the proposed draft of the SPA	10%
4.	<b>Strategy</b>	The commitment of the Selected Bidder (which has the meaning defined in the detailed call for tender) to the further development of the current strategy of the Bank along the standalone digital banking business model	5%

## **V. OTHER INFORMATION**

1. The Offeror reserves its right to withdraw the call for tender prior to the offer submission deadline (and shall immediately inform the bidders which requested preliminary registration), and the right to declare the tender unsuccessful in accordance with section 41 (6) of the Government Decree. The Offeror reserves its right, exceptionally and in justified cases, to amend any condition indicated in the tender within the applicable legal framework up to the 10<sup>th</sup> day before the expiry of the deadline and shall properly notify the bidders. A notification shall be deemed proper if it is sent via e-mail, fax, courier or registered mail with acknowledgement of receipt, to any address provided by the bidder.
2. The Offeror reserves the right, in case of the withdrawal of the preferred bidder or if the conditions described in section 41 (4) of the Decree occur, to enter into an agreement with the second place bidder on the final result list or to announce a new tender after the expiration of the binding offer.
3. Pursuant to section 126 (1) of the Banking Act, the Offeror calls the bidder's attention to the fact that the bidders are obliged to request approval from the Hungarian National Bank, acting as supervisory authority, for the completion of the contemplated transaction.
4. For matters not covered in this call for tender and the detailed call for tender, the provisions of the State Property Act and the Government Decree shall prevail.

Budapest, 20 July 2017

Annex: Declaration for Tender Application

**DECLARATION FOR TENDER APPLICATION (in Hungarian: “PÁLYÁZATRA VALÓ JELENTKEZÉSI NYILATKOZAT”)  
(TEMPLATE)**

The Ministry for National Economy, exercising the Hungarian State’s ownership rights (hereinafter: “**MNE**”), announced a two-round public tender (hereinafter: “**Call for Tender**”) regarding the sale of the corporate participation (shares) of the Hungarian State held in GRÁNIT Bank Zártkörűen Működő Részvénytársaság (registered seat: 1095 Budapest, Lechner Ödön fasor 8.; company registration number: 01-10-041028; registered by the Metropolitan Court acting as court of registration; tax identification number: 10189377-2-44) (hereinafter: “**Tender**”).

According to the Call for Tender, the condition for the preliminary registration is the signing of this application form, in respect of which I, the undersigned, \_\_\_\_\_ (place and date of birth: \_\_\_\_\_; mother’s maiden name: \_\_\_\_\_; address \_\_\_\_\_) as the authorized representative or proxy representing \_\_\_\_\_ (registered seat: \_\_\_\_\_; company registry number: \_\_\_\_\_) as bidder (hereinafter: “**Bidder**”) being aware of my criminal responsibility, declare the following:

1. The Bidder wishes to apply for the Tender in accordance with the Call for Tender and is aware of the content of the Call for Tender.
2. The Bidder is deemed as a natural person or a transparent entity based on the following:
  - (a) the organization represented by me is a domestic or foreign legal person or other entity without legal personality that fulfils the following conditions:
    - aa) its ownership structure, and its beneficial owner as defined in the Act on prevention and combating of money laundering and terrorist financing may be known; and
    - ab) its tax residence is in Hungary / in a Member State of the European Union / in a State which is contracting party to the Agreement on the European Economic Area / in a State which is member of the Organisation for Economic Cooperation and Development / or a country that has an agreement with Hungary on the avoidance of double taxation; and
    - ac) it is not a controlled non-resident company under the Act of Corporate Tax and Dividend Tax; and
    - ad) the conditions in points aa) ab) and ac) apply to those legal persons or entities without legal personality that have, directly or indirectly, more than 25% of the

ownership, influence or voting rights in the organization represented by me.

3. The Bidder has no overdue public debt.
4. The Bidder has no overdue debt towards MNE.
5. The Bidder is currently operating and there is no winding-up, liquidation, or bankruptcy proceeding or other type of termination proceeding based on legal provisions or debt settlement proceeding ongoing.
6. The Bidder is entitled to acquire an ownership stake in a credit institution under section 125 of Act CCXXXVII of 2013 on Credit Institutions and Financial Institutions.

Identification data and contact person of the Bidder:

**In the case of a legal entity as bidder:**

Name:	
Company registry number:	
Tax identification number:	
Registered seat:	
Postal address:	
Name of the contact person:	
E-mail address:	
Phone number of the contact person:	

**In the case of a natural person bidder:**

Name:	
Birth name:	
Place and date of birth:	
Mother's name at birth:	
Address:	
Citizenship:	
Type and issuer of personal document:	
Number of personal document:	
Postal address:	
E-mail address:	
Phone number:	

\_\_\_\_ of \_\_\_\_\_ 2017, Budapest

\_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Name of the Company: \_\_\_\_\_

In our presence as witnesses (in the case of a natural person as Bidder):

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Position: \_\_\_\_\_

Name of the Company:

Name of the Company:

\_\_\_\_\_

\_\_\_\_\_