



REMUNERATION POLICY OF
4IG PUBLIC LIMITED COMPANY

HAVING COMPLIED WITH THE SYSTEM OF RULES PURSUANT TO ACT LXVII OF 2019 ON THE
PROMOTION OF LONG-TERM SHAREHOLDER PARTICIPATION AND THE AMENDMENT OF CERTAIN
LAWS FOR THE PURPOSE OF LEGAL HARMONIZATION



Enters into force: **24 February 2022**



PREAMBLE

The remuneration and evaluation of the work performed by the Board of Directors, Supervisory Board, and the Company's Chief Executive Officer and the Deputy Chief Executive Officers of 4iG Plc. (hereinafter referred to as: "4iG Plc." or "Company") – by keeping the continuous development and growth of the Company in mind – are realized in line with the Remuneration Policy adopted by the General Meeting of the Company.

Having complied with the system of rules pursuant to Act LXVII of 2019 on the promotion of long-term shareholder participation and the amendment of certain laws for the purpose of legal harmonization (hereinafter referred to as: "SRD Act") and in accordance with the hereinabove targets, 4iG Plc. adopts the hereinbelow guidelines and rules in respect of the Remuneration Policy.

I. Scope of the Remuneration Policy

In accordance with the profitability of the Company, the purpose of the Remuneration Policy of 4iG Plc. is to recognize and encourage the performance of the management and key senior officers in delivering results.

As a key, leading player in the Hungarian IT sector, 4iG Plc. creates value for its customers throughout the entire IT lifecycle: from the formulation of demand through the development of complex systems to the maintenance of reliable operation.

The Corporation's operations are based on stable, predictable, large corporate foundations, but at the same time an agile, innovative, start-up approach is also present in its activities. As a listed company, the processes and activities are transparent, the financial and professional results are public.

Remuneration Policy shall be included in the agenda item of the General Meeting at least in every four year or in case of its material change.

II. Personal scope of the Remuneration Policy

- Members of the Supervisory Board,
- Members of the Board of Directors,
- employees in the positions of chief executive officer and deputy chief executive officers.

III. Components of the Remuneration system

The remuneration components are presented in accordance with the legal relationships set forth in Point II, irrespective of whether the employee holds a membership in the Board of Directors or the Supervisory Board in addition to the given position.

1. Remuneration of the members of the Board of Directors

- The management body of 4iG Plc. is the Board of Directors with the authority of those necessary decisions made in relation to the management of the Company which do not belong to the exclusive authority of the General Meeting or other corporate body on the basis of the Articles of Association or of any other act.
- The remuneration regarding the members of the Board of Directors is a fixed-amount honoraria, except that in the event of participation, the members of the Board of Directors may also receive the remuneration set out in Point 4 subject to certain conditions. The Nomination and Remuneration Committee shall propose the amount of the honoraria.



- The members of the Board of Directors are entitled to receive the remuneration for the period of their assignment, regardless of the reason for the assignment termination.
- Adoption and modification of the remuneration owed by the members of the Board of Directors of the Company are transferred into the exclusive authority of the General Meeting of 4iG Plc.

2. Remuneration of the members of the Supervisory Board

- The Supervisory Board of the Company shall monitor the operation of the Board of Directors, the implementation of legislation, as well as resolutions and decisions adopted by the General Meeting, and the business activity of the Company.
- The remuneration regarding the members of the Supervisory Board is a fixed-amount honoraria, and they are not entitled to any other performance-based remuneration. The Nomination and Remuneration Committee shall propose the amount of the honoraria.
- The members of the Supervisory Board are entitled to receive the remuneration for the period of their assignment, regardless of the reason for the assignment termination.
- Adoption and modification of the remuneration owed by the members of the Supervisory Board of the Company are transferred into the exclusive authority of the General Meeting of 4iG Plc.

3. Remuneration in respect of the positions of Chief Executive Officer and Deputy Chief Executive Officer

3.1. Annual basic salary

It is the annual amount of the basic monthly salary set forth in the employment contract.

3.2. Annual incentives, premium

Annual incentives, premium shall be paid for the involved employees in the amount set forth on the basis of the company's and individual's performance.

3.3. Premium of ad hoc nature

Premium of ad hoc nature shall be defined in case of outstanding performance contributing to the realization of the company targets set forth in the Remuneration Policy.

3.4. Other benefits

Other benefit components are evolved upon taking the cost-effectiveness into account. Within this framework – on the basis of individual choice – the employees are entitled to receive extra gross benefit package included in Cafet ria benefit system rules.

The employees in relation to work and in accordance with the company's Fleet Management Rules are entitled to have vehicle for business and private use, and to account the related costs.

The employees are entitled to receive personal insurance and health care benefits set forth by the company.

The employees are entitled to use telecommunication services provided by the company for business and private purposes; to participate in work-related trainings and conferences.

Herein employees are entitled to make use of travelling, accommodation, eating and other benefits arising legitimately during the course of tasks performed in the interest of the Company.



Other benefits shall represent maximum 10% share in the total remuneration in respect of the involved employees.

3.5. Work-related components of the contract

In line with Subsection 1 of Section 208 of the Act on the Labor Code, in particular, the executive employee employed under the personal scope of the Remuneration Policy shall be meant on as follows hereinunder:

- Chief Executive Officer
- General Deputy Chief Executive Officer
- Chief Finance and Operating Officer
- Chief Sales Officer
- Chief Technology Officer
- Deputy Chief Executive Officer for Strategy and Corporate Governance

An employment contract is concluded by and between the employees of the positions and the Company for an indefinite term.

The relevant regulations set forth in the Act on the Labor Code shall be applied for the notice period employed in the employment contract in respect of the employees.

In case of termination of the employment relationship, in addition to the exemption period and the severance pay, the employees are entitled to benefits of individual value, with that, the hereof shall not exceed the amount of 12-months payment for periods of absence in total.

During the termination by notice / exemption period related to the termination of the employment relationship, in accordance with the Fleet Management Rules and employment contract, the employee shall use the company car, and entitled to receive the reimbursement of expenses related to the use of the company car.

4. Long-term incentive system

4.1. To this, in 2020. the Company introduced the Employee Stock Option Plan („ESOP”), which makes the employees interested in the improvement of the Company’s performance.

The purpose of thereof is to recognize, encourage the employee’s performance – provided for the improvement of the Company’s performance –, and to enhance the commitments towards the Company.

Employees with members’ shares (independent legal person) in the ESOP organisation, following the 24-months grace period and in case of the fulfilment of the indicator presenting the improvement of the company’s performance, and in proportion of the performance regarding individual target tasks, shall receive the benefit in value of defined in advance.

Long-term incentive system in respect of the positions under the personal scope of the Remuneration Policy is as follows hereinunder:



Position	Annual basic salary – Long-term incentive rate*
Chief Executive Officer	(41%-59%)
General Deputy Chief Executive Officer	(54%-46%)
Deputy Chief Executive Officer for Strategy and Corporate Governance	(50%-50%)
Chief Finance and Operating Officer	(65%-35%)
Chief Sales Officer	(65%-35%)
Chief Technology Officer	(65%-35%)

*At the time of adoption of the Remuneration Policy

4.2. In 2021, the Company has decided to launch a new remuneration program within the existing ESOP organisation ("**New Remuneration Programme**") along the following general principles:

- (i) Financial instrument to be provided under the New Remuneration Program: Under the New Remuneration Program, 4iG ordinary shares will be granted directly as follows. In the Company, the ESOP carried out a capital increase through the private placement of new ordinary shares by providing the necessary financial coverage to the ESOP as a cash contribution from the founders. The ESOP has been designated to take over the new 4iG Ordinary Shares.
- (ii) Eligibility of participants in the New Remuneration Program: The New Remuneration Program is open to senior executives of the 4iG Group (i.e., members of the Board of Directors as well as Deputy CEOs).
- (iii) Conditions for obtaining a financial instrument to be provided under the New Remuneration Program: A financial instrument to be provided under the New Remuneration Program may be provided to participants if all of the following conditions are met:
 - fulfillment of economic performance improvement conditions (KPIs): the definition of KPIs is determined on the basis of the consolidated earnings per share of the company group
 - payment of the consideration for the share corresponding to the subscription price at the time of the capital increase (which is equal to the average price of the share published on the Budapest Stock Exchange in the 180-day period prior to the decision on the capital increase)
 - employment at the time of payment (or so-called good leaver position)

The New Remuneration Program is cash neutral, as the financial asset that the founder (i.e. the Company) transfers to the ESOP for the purpose of the capital increase is returned to the Company in the form of a cash contribution made by the ESOP during the capital increase, and then the Company also receives funds indirectly through the expected payment by the participants.

The dynamic growth of the Company, and thus the interest of the Company as a whole, is to encourage management to successfully execute future transactions that increase the profitability of the Company and its subsidiaries as a whole, i.e. consolidated EBITDA and thus earnings per share (consolidated EPS). Taking into account all aspects (legal, tax, regulatory), the Company is able to achieve its management incentive objective in the most favorable way through the existing ESOP Organization, within the framework of the New Remuneration Program based on a new remuneration policy.



It can be stated that the New Remuneration Program does not lead to a reduction in the rights / expectations of individual shareholders and / or a perceptible dilution of their shareholding, as linking the acquisition of shares in the New Remuneration Program to increasing consolidated earnings per share also increases EPS and potential dividends per shareholder.

The purpose of the New Remuneration Program and its deviations from the existing Remuneration Program can be summarized as follows:

- (i) The New Remuneration Program is specifically designed to create and increase the interest of top management, thereby creating shareholder value;
- (ii) Under the New Remuneration Program, ordinary shares will be granted and no consideration will be paid to participants for the share option;
- (iii) Under the New Remuneration Program, the benefit is not free of charge but is subject to the payment of a subscription price at the time of the capital increase;
- (iv) The New Remuneration Program is for a period of two (2) years.

IV. Closing provisions

The herein Remuneration Policy was compiled in accordance with the business strategy and long-term targets and sustainability of the Company. The rules are clear and understandable, include the actions related to incompatibility and contain all the compulsory components set forth in Sections 16-18 in SRD Act.

The General Meeting of the Company shall make the decision on the amendment or the withdrawals of the Remuneration Policy in all cases unless the obligation related to making the remuneration rules available is terminated ex lege (directly on the basis of the act).

The Remuneration Policy, for the purposes of opinion voting and upon the agreement of the Nomination and Remuneration Committee, is submitted for the General Meeting of the Company by the Board of Directors.

Following the general meeting opinion voting related to the Remuneration Policy – or the repeated voting in case of the refusal of the Remuneration Policy – the remuneration policy shall be disclosed on the website of the Company without undue delay, alongside with the date and result of the votes.

If the General Meeting refuses the proposed Remuneration Policy, then the re-drafted Remuneration Policy shall be submitted on the following General Meeting for re-opinion voting by the Company.

The herein Remuneration Policy is effective as of the day of the approval by the General Meeting of the Company. As it is set forth in Sections 16-18 of SRD Act, the present remuneration policy and any amendment of thereof is under the authority of the General Meeting of the Company.

Dated as of **24 February** 2022 in Budapest