



**Corporate Governance Report and Declaration
of
4iG Plc.
for the 2022 business year**

Based on the Corporate Governance Recommendations
published by Budapest Stock Exchange Ltd.
effected from 1th January 2021

Compiled:

The Board of Directors of 4iG Plc.

Approved by:

The General Meeting of 4iG Plc.

Dated as of 28 April 2023 in Budapest



Corporate Governance Report

The Corporate Governance Report and Declaration of 4iG Nyilvánosan Működő Részvénytársaság (4iG Plc.) (registered seat: 1037 Budapest, Montevideo utca 8.; company registration number: 01-10-044993; hereinafter referred to as: the Company) was prepared in line with the Corporate Governance Recommendations adopted and published by Budapest Stock Exchange Zrt. (hereinafter referred to as: BSE) upon 8 December 2020, effective as of 1 January 2021.¹ The present Corporate Governance Report and Declaration of 4iG Plc. was approved by the resolution of the Board of Directors on 03 April 2023 and by the resolution of the Supervisory Board on 03 April 2022 and recommended that the General Meeting of the Company discuss and approve the hereof. The Company published the Corporate Governance Report and Declaration as a submission to the General Meeting on the website of BSE and the Hungarian National Bank, as well as on its own website.

¹Accessible at: <https://bse.hu/Issuers/corporate-governance-recommendations/Corporate-Governance-Recommendations>

Corporate Governance Report

1. Description of the governing bodies of the Company²

1.1 The Board of Directors

1.1.1 The organisation of the Board of Directors during the 2022 business year³

The composition of the Board of Directors between 1 January 2022 and 31 December 2022

The Company had been managed by a Board of Directors consisting of six (6) members, who were:

Jászai Gellért Zoltán (chairman; term of appointment: indefinite)

Linczényi Aladin Ádám (vice-chairman; term of appointment: indefinite)

Tóth Béla Zsolt (term of appointment: indefinite)

Fekete Péter Krisztián (term of appointment: indefinite)

Blénessy László (term of appointment: indefinite)

Pedro Vargas Santos David (term of appointment: indefinite)

The Board of Directors elects its chairman and vice-chairman from among its own members by a simple majority. The Board of Directors elects the CEO. The Board of Directors exercises the employer's rights over the CEO. The Board of Directors establishes its own Rules of Procedure. The Board of Directors exercises its tasks and rights as a body. The members of the Board of Directors are considered to be executive officers of the Company. The Board of Directors, as the management body of the Company, represents the Company against third parties before courts and other authorities.

1.1.2 Operation of the Board of Directors

1.1.2.1 Convening and preparing the meetings of the Board of Directors

The Chairman of the Board of Directors or any of its Members may convene a meeting of the Board of Directors at any time, stating the reason. The invitation to each meeting and the submissions shall be sent in writing (by post or e-mail) to the Members one (1) working day before the meeting. If the submission contains confidential information, it may only be sent by password-protected means.

² The organizational structure of 4iG Nyrt. has been changed from September 1, 2022 in view of the organizational changes that occurred due to the establishment of the holding organization, which changes are already included in this Corporate Governance Report.

³ The professional introduction of the Board of Directors of 4iG Plc. can be found at the website of <https://www.4ig.hu/home/corporate-governance>

Regardless of the manner, time or existence of the call for the meeting, the Board of Directors may meet and take decisions at any time, provided that all Members of the Board of Directors are present and unanimously agree to the items on the agenda.

The invitation shall hereby state the time and date, and place of the meeting, and shall be accompanied by the agenda and submissions. The members of the Board of Directors may also request the inclusion of additional agenda items, and a written proposal to this effect may be made no later than on the day prior to the date of the meeting of the Board of Directors. The Members of the Board of Directors may invite the Chairman of the Supervisory Board and the Audit Committee of the Company, the Chief Executive Officer and the company managers to the meeting of the Board of Directors, who shall participate in the meeting with the right of deliberation. The Chairman of the Board of Directors decides on the invitation of other persons and experts to the meeting of the Board of Directors.

The venue of the meeting of the Board of Directors, unless otherwise decided unanimously, is the registered office of the Company.

The meetings of the Board of Directors may also be held by telecommunication device. Participation by telecommunication device (telephone or videoconferencing) is considered as personal participation.

If a member is prevented from appearing in person at the meeting of the Board of Directors, the member who is prevented from appearing may vote in writing for the written submission in advance at the latest by the beginning of the Board meeting. He / She may exercise this right separately for each item on the agenda and his / her vote shall be taken into account – regardless of his / her absence –, if the meeting has quorum and the motion for a resolution is voted on unchanged in the written submission.

The Board of Directors is entitled to adopt a valid resolution by written vote without holding a meeting - by postmail, electronic devices of communication, in particular by fax or e-mail. The Chairman, Vice-Chairman or any Member of the Board of Directors shall have the right to initiate a decision of the Board of Directors without a meeting. In such a case, the initiator of the written vote shall send out a clear invitation to the motion and shall state the deadline by which the Members of the Board of Directors must clearly communicate their vote in writing (by letter, fax or e-mail). If a Member deems it necessary to discuss a particular matter in detail, he/she may request a meeting of the Board of Directors, in which case the Chairperson of the Board of Directors shall convene the meeting.

1.1.2.2 Order of the meetings of the Board of Directors

The meeting of the Board of Directors is chaired by the Chairman of the Board of Directors, or in his/her absence by the Vice-Chairman or a Member of the Board of Directors elected by the Board Members to act as chairman.

1.1.2.3 Decision-making

Decisions of the Board of Directors are made by a simple majority of the members of the Board of Directors present. The Board of Directors usually makes a decision on the basis of a written submission. The submission must contain all the essential information necessary to assess the issue [the submission on the agenda item of the Board of Directors is made in electronic form (Word, text, scanned document), which must be sent to the members of the Board of Directors as an electronic message (e-mail)].

An item not included in the agenda announced in advance or subsequently supplemented may be put on the agenda at the meeting of the Board of Directors if at least two thirds of the members of the Board of Directors are present and the majority of the members of the Board of Directors present do not object to the discussion of the new agenda item.

A meeting of the Board of Directors has a quorum if more than half of the members of the Board of Directors are present. A meeting of the Board of Directors has a quorum regardless of the method of convening if all members of the Board of Directors have appeared.

1.1.2.4 Minutes

The minutes of the meetings of the Board of Directors shall include:

- - the place, time and date of the meeting;
- - the names of the participants in the meeting (in person or by telecommunications);
- - the agenda of the meeting;
- - a list of oral submissions;
- - the substance of the submissions, proposals, comments and the decisions taken under each agenda item, and the number of decisions;
- - the separate opinion delivered, if its recording in the minutes is requested by the commenter.

At the request of any member of the Board of Directors, his or her comments shall be recorded in the minutes verbatim. The minutes shall be signed by the recorder of minutes and authenticated by the presiding chairman and a member of the Board of Directors. Written submissions and documents concerning the items on the agenda must be attached to the minutes kept by the Board of Directors.

The documents must be stored in the following places:

- electronically on the Company's server and / or
- hard copies of the signed documents in the archives of the Company.

1.1.3 Development of the division of responsibilities and tasks between the Board of Directors and the CEO

The Board of Directors is responsible for:

- Approval of the annual and 3-year plans of the Company and the majority-owned companies of the Company;
- Convening the Board of Directors of the Company, with the exception of cases specified in the Act on the Civil Code, when the Supervisory Board or the Court of Registration of the Court of Justice or the shareholders are entitled to convene the General Meeting due to reasons specified by law;
- Preparing, adopting and submitting to the General Meeting a proposal on matters within the competence of the General Meeting;
- Preparing a report on the management, financial position and business policy of the Company and submitting it to the General Meeting;
- Decision-making on borrowing a loan, undertaking guarantee or other financial obligations other than a normal financial activity;
- Taking a decision on the acquisition of ownership(share) in a business association, any investment or sale of assets from the Company;
- Taking a decision on the sale of the Company's interest in any other business association, including the purchase or sale of patents, trademarks and licences;
- Appointing the members of the Nomination and Remuneration Committee;
- Exercising employer's rights and to take a decision on possible delegation of the exercise of employer's rights;
- Electing of the CEO, determining of his powers, employment contract and salary (exercising the employer's right). The Chief Executive Officer signs an employment contract with the Company, which is signed by the Chairperson of the Board of Directors. If the Chairperson of the Board of Directors is also the Chief Executive Officer of the Company, the employment contract of the President and Chief Executive Officer shall be signed jointly by the other two members of the Board of Directors authorised to sign;
- Defining of the employment contract and job responsibilities of the company manager (exercising the employer's right). The company manager signs an employment contract with the Company, which is signed by the Chairperson of the Board of Directors;
- Preparing and approving of the Company's Organisational and Operational Rules ("Organisational and Operational Rules");
- Distributing of the supervision of the Company's activities between the Members of the Board of Directors and the manager(s),
- In the case of capital increase within the scope of the Board of Directors is entitled to and obliged to amend the Articles of Association;
- The Board of Directors may decide, with the prior consent of the Supervisory Board, to pay an advance dividend within the limits of the legal regulations in force, and may adopt an interim balance sheet in connection with the acquisition of treasury shares and the payment of an advance dividend, as well as the increase of the share capital by the amount of assets in excess of the share capital;

- On the basis of the authorisation of the General Meeting, the Board of Directors is entitled to decide on the exclusion of the exercise of the pre-emptive subscription right;
- The Board of Directors may establish and operate committees to increase its operational efficiency;
- The Board of Directors is entitled to decide on matters concerning the Company's name, registered office, premises, branches and scope of activities (excluding the principal business activity) and on the amendments to the Articles of Association in connection therewith;
- The Board of Directors shall be entitled to establish, maintain and make any relevant and necessary decision and declaration in relation to the Organization ('ESOP Organization') within the Employee Stock Option Plan (ESOP). The authorization shall cover – particularly but not exclusively – the initiation of Programs grounding ESOP Organization, the designation of the beneficiary group and the requirements of the equity share acquisition, and, respectively, of the number, value and acquisition of the rights related to the hereof equity shares;
- The Board of Directors is authorised to appoint the Company's employees authorised to sign on behalf of the Company;
- If so authorised by the General Meeting, the Board of Directors may, with the prior consent of the Supervisory Board, decide to increase the share capital or adopt an interim balance sheet in connection with an increase of the share capital by the amount of assets in excess of the share capital;
- No prior authorisation by the General Meeting to the Board of Directors to acquire treasury shares is required if the shares are acquired in order to avoid serious damage directly threatening the Company. In such a case, the Board of Directors must provide information at the next General Meeting on the reasons for the acquisition of treasury shares, the number of shares acquired, the total nominal value of the shares acquired, the proportion of these shares in relation to the share capital of the Company and the consideration paid;
- The Board of Directors decides on the establishment of the Technical Advisory Board and on the approval of the rules of procedure prepared by the Technical Advisory Board, the appointment and recall of its members;
- The Board of Directors decides on the establishment of the Executive Cabinet, the appointment and recall of its members;
- The Board of Directors decides on the adoption of its annual work plan;
- All the decisions that the Act on the Civil Code or the Articles of Association do not refer to the exclusive competence of the General Meeting.

The list of the scope of the tasks and authority of the CEO is contained in Section 1.2.1 of this Corporate Governance Report.

1.1.4 Liability of the Board of Directors and the members of the Board of Directors

Members of the Board of Directors shall conduct the affairs of the Company with the care normally expected of persons holding such office and, unless exceptions are provided by law, with the best interests of the Company at the forefront.

The Members of the Board of Directors, as senior executives, are liable to the Company for damages caused to the Company in accordance with the rules of liability for damages caused by breach of contract under the Civil Code, for damages caused to the Company by the culpable breach of law, the Articles of Association or resolutions adopted by the General Meeting, or by the culpable breach of their duties as executives. The Members of the Board of Directors, as executive officers, shall be jointly and severally liable to the Company for damages in accordance with the rules of the Civil Code on joint and several tort. If the damage was caused by a resolution of the Board of Directors, the Members of the Board of Directors who voted in favour of the resolution shall be jointly and severally liable to the Company for damages arising from the resolution in accordance with the rules of liability for damages caused by breach of contract, and the Member of the Board of Directors who did not participate in the resolution or voted against the resolution shall be exempt from liability. The Company shall be held liable for damages caused to third parties by a member of the Board of Directors acting in this capacity.

The Members of the Board of Directors are obliged to keep their information acquired about the affairs of the Company as business secrets.

After the termination of the Company without a legal successor, claims for compensation against the members of the Board of Directors may be enforced within one (1) year from the date of final Companies Court cancellation by the shareholders who were in a shareholder relationship at the time of the cancellation of the Company by the Companies Court. The shareholder may assert the claim for damages in proportion to the part of the assets distributed upon the dissolution of the Company that he is entitled to.

Article 11.19 of the Articles of Association allows individuals who hold the position of executive officers in another business organization performing the same main activity as the Company to be members of the Board of Directors.

Article 11.20 of the Articles of Association allows the members of the Board of Directors to enter into transactions within the scope of the company's activities in their own name or for the benefit of a member of the Board of Directors and a close relative.

1.1.5 Duties and powers of Chairman of the Board of Directors

The Chairman of the Board of Directors organises and directs the activities of the Board of Directors.

Duties of the Chairman of the Board of Directors:

- convening and chairing the meeting of the Board of Directors;

- the designation of the registrar of the minutes of the meeting of the Board of Directors;
- ordering a vote at the meeting of the Board of Directors and establishing the result of the voting;
- authentication of the minutes of the meeting of the Board of Directors by signature, if the meeting did not have a quorum;
- preparing the agenda of the meeting of the Board of Directors and submitting proposals for decisions;
- deciding whether to invite additional persons or experts to the Board of Directors meeting;
- initiating the acceptance of resolutions of the General Meeting on behalf of the Board of Directors;
- acts between the meetings of the Board on behalf of the Board of Directors;
- exercises all the employer's rights over the Members of the Board of Directors which are not referred to the authority of the General Meeting by the Articles of Association;
- performs all other tasks specified in the Civil Code or the Articles of Association refer to the authority of the Chairman of the Board of Directors.

1.1.6 Duties and powers of the Vice-Chairman of the Board of Directors

The Vice Chairman of the Board is the general deputy to the Chairman of the Board and the general deputy to the Group Chief Executive Officer.

Task:

- Exercising employer powers if the Group Chief Executive Officer is prevented from doing so,
- Participating in the development of the business strategy of the Company and its subsidiaries, providing professional support for strategic decisions, goal setting and business planning, monitoring and controlling the implementation,
- Developing and implementing a strategy for the Group's holding company operations,
- Meeting the requirements and carrying out the tasks set by the Board of Directors and the Chairman,
- Representing key Group-level business issues,
- Continuous improvement of the functioning of the work organisation, development of organisational development proposals and their implementation,
- Providing the Board of Directors with the information necessary for its operation,
- Preparation and coordination of strategic projects and tasks across organisational units as defined by the Board of Directors or the Group Chief Executive Officer,
- Monitoring the implementation of the tasks set by the Chairman,
- Supervising and ensuring compliance with and enforcement of internal rules for the organisational units/functions/positions under his or her governance,
- Creation of projects or working teams for certain tasks.

His or her powers include, but are not limited to

- Deciding on the creation of managerial positions under his or her governance,

- Exercising the power to instruct the General Deputy Chief Executive Officer for Strategic Governance and Business Development.

1.1.7 Meetings of the Board of Directors held during the period under review

During the period under review, in the 2022 business year, the Board of Directors met two (2) occasions in person, at which all members appeared and cast their votes.

The Board of Directors passed resolutions by electronic voting without holding a meeting another forty-six (46) times, of which all board members cast their votes during forty-four (44) decision-making, four (4) members cast their votes during one (1) decision-making, while five (5) members cast their votes during one (1) decision-making, as such, all voting of the Board of Directors had a quorum.

1.2 Group Management

1.2.1 The GCEO

At the Company, between 1 January, 2022 and 17 August, 2022, the position of CEO was held by Jászai Gellért Zoltán, while between 17 August, 2022 and 31 December, 2022, the position of CEO was held by Fekete Péter Krisztián.

The Group Chief Executive Officer (hereinafter referred to as: GCEO) is responsible for the governance of the work organisation and operational activities of the Company. The Group Chief Executive Officer is authorised to take decisions on all matters relating to the day-to-day operations which do not fall within the exclusive authority of the General Meeting or the Board of Directors, or which are not referred to the authority of another body or person by these ROO.

In the context of his or her responsibilities laid down in the Articles of Association, the Group Chief Executive Officer has the following main governance and employer responsibilities:

- Management of the Company in accordance with the approved strategy of the Company,
- Establishing the work organisation of the Company within the framework of the ROO approved by the Board of Directors, and preparing the Company's short and medium-term strategic, economic, financial and business plans and ensuring their implementation, and developing policies in accordance with the Company's governance systems in line with the strategic plans,
- further development of the Company's activities in a way that enables it to meet its legal obligations and strategic objectives,
- Regulating the basic tasks concerning the operation of the Company and providing for the rights and obligations of the employees, providing for the issuance of documents regulating the implementation of processes and tasks affecting the Company as a whole, and providing information on the work organisation in the form of a circular,

- Ensuring the efficient and high quality operation of the Company in line with international best practices, and developing a group culture based on the principles of operational excellence,
- Ensuring the necessary staff and material conditions for the operation of the work organisation, ensuring the smooth cooperation of the organisational units,
- Governing the acquisition activities of the Company and its subsidiaries, supporting and monitoring the implementation of approved acquisitions, managing the preparation of shareholder and internal management reports related to acquisitions,
- Liaising with prospective and current investors, shareholders, the financial community and analysts of the Company and its subsidiaries. Providing institutional investors, financial analysts and retail shareholders with up-to-date regulatory information, financial statements, operational data and investor presentations,
- Preparing the annual accounts of the Company and ensuring that they are submitted to the Board of Directors,
- Preparation of decisions falling within the decision-making powers of the Board of Directors (submission of annual plans to the Board of Directors, implementation/enforcement of Board decisions on plans) necessary for the exercise of ownership rights in subsidiaries. Organising and monitoring reporting obligations (BSE, PSZÁF),
- Coordinating the management activities of the organisational units directly reporting to him or her, taking into account the staff and material resources available to the Company, in order to implement the Company's strategy and annual plan through the proper functioning of the work organisation,
- He or she is entitled to carry out specific tasks, set up projects and working groups,
- Representation of the Company before third parties, courts, authorities, state and public administration bodies and international organisations,
- Ensuring that all employees of the Company comply with the provisions of the law, the Articles of Association, the ROO and other internal rules, procedures and instructions of the Company.

His or her powers include, but are not limited to

- Governing the work organisation of the Company, directing and controlling the operational work of the Company, reporting to the heads of the organisational units,
- Exercising his or her right of procuration on behalf of the Company as provided for by law and the Company's rules.

His or her responsibilities include, but are not limited to

- The Group Chief Executive Officer shall perform his or her duties in the best interests of the Company.

1.2.2 General Deputy GCEO for Business

At the Company, between 1 September, 2022 and 31 December, 2022, the position of General Deputy GCEO for Business was held by Blénessy László.

The General Deputy GCEO for Business is the number one manager responsible for the coordination of business areas and business development. His or her powers include the professional governance of the IT and Telecommunication Business Unit through the Division Heads and the governance of the International Telecommunication Division. Ensuring the preparation of strategic plans at Group and divisional level, being responsible for the implementation of the corporate strategy by translating these to the business and for the development of specific strategic proposals concerning the development of the Company's services and products.

Task:

- Acting as a deputy to the CEO on business matters.
- He or she is responsible for the development, updating and modification of the 4iG Group's strategy and supports the development of annual and other plan proposals necessary for the implementation of the strategy,
- Governing the operations of business areas along strategic lines and market conditions, as well as through development opportunities and other key business issues,
- Participating in the quarterly reporting of business areas (business plan and strategy),
- Ensuring the efficient, high quality operation of the Company in line with international best practices, the development of a group culture based on the principles of operational excellence, the creation of knowledge centres,
- Supervising, holding to account and giving instructions to the heads of the Professional Division,
- He or she is entitled to carry out specific tasks, set up projects and working groups.

1.2.3 General Deputy Group CEO for Operation

At the Company, between 1 September, 2022 and 31 December, 2022, the position of General Deputy Group CEO for Operation was held by Tomcsányi Gábor.

The General Deputy Group CEO for Operation is the number one manager of functional support units at Group level. His or her responsibilities include the governance of functional areas at Group level and the professional control and coordination of divisional departments through Group-level departments.

Task:

- Governing Group-level functional and support fields, ensuring that the necessary assets and conditions are in place for these areas to work,
- Participating in the development of the strategy of the Company and the member companies, in providing professional support for making strategic decisions, setting strategic goals and business planning, and in monitoring and controlling their implementation,
- Ensuring that synergies between functional areas are exploited at Group level,
- Acting as deputy to the CEO on operational matters,

- Governing Group-level procurement, defining and regulating the 4iG Group's procurement policy,
- Ensuring the efficient implementation of the 4iG Group's asset management tasks under the governance of the Board of Directors and the Group Chief Executive Officer.

His or her powers include, but are not limited to

- Acting as a preliminary approver for the formation of the functional organisation of the divisions and member companies.

1.2.4 Group Chief Finance Officer

At the Company, between 1 September, 2022 and 31 December, 2022, the position of Group Chief Finance Officer was held by Thurzó Csaba Ferenc.

The Group Chief Finance Officer (GCFO) is the number one manager of the 4iG Group's financial management, financial operations and activities. His or her powers include defining and monitoring compliance with the economic policies, Group-level economic and financial regulations and principles applicable to the 4iG Group and its prioritised affiliates. Furthermore, as the number one finance manager of the 4iG Group, he or she ensures the enforcement of Group-level economic interests through professional instructions, regulations, policies and other powers. As regards Group-level organisational units, he or she is also responsible for preliminary commenting, countersigning and ex-post control of all decisions and proposals affecting the 4iG Group's financial management and financial position, and which are assigned to him or her by internal regulatory instruments.

Task:

- Defining, continuously monitoring and improving the 4iG Group's financial management, planning and accounting principles and rules, as well as the structure of the finance organisation,
- Governing the development, updating and implementation of the 4iG Group's financial strategy,
- Governing the preparation of the business plan for the 4iG Group, monitoring the implementation of the plan, managing the preparation of shareholder and internal management reports, and reporting variances between planned and actual figures and between planned and expected figures,
- Proposing Group-level financial objectives to the Group Chief Executive Officer and Vice Chairman of the Board, based on the 4iG Group strategy,
- Proposing measures to ensure the achievement of the Group-level plan objectives, defining the division of financial tasks between the 4iG Group's member companies, establishing internal accounting and transfer pricing procedures, their continuous monitoring and development, and the provision of financial services,

- Ensuring the proper keeping of the 4iG Group's books and ensuring compliance with record-keeping, accounting and tax obligations,
- Governing the IFRS and consolidation activities of the 4iG Group,
- Developing and supervising the overall planning, reporting, financing, accounting, treasury and financial risk management policies of the 4iG Group,
- Defining the rules for inter-divisional transactions and cover transfers,
- Defining the rules for the transfer of cover between member companies within the division,
- Supervising and monitoring the financial (controlling, accounting, financing) activities of member companies and divisions, through the Group Controlling, IFRS and Consolidation and Treasury areas,
- Management and control of divisional and member company financial reviews,
- Ensuring compliance with the financial covenants of the 4iG Group,
- Drawing up annual and inter-annual (monthly, quarterly) accounts, as well as consolidated accounts, balance sheets, profit and loss accounts and supplementary notes, and checking their content,
- Designing and regulating financial processes at 4iG Group level and monitoring compliance with the regulations applicable in the field,
- Supervising human resources activities at Group level from a financial point of view,
- Creation of projects or working teams for certain tasks,
- Examining the adequacy of the 4iG Group's internal control system in cooperation with the external auditor and the internal audit organisation,
- Governing the 4iG Group's financing activities, hedging and foreign exchange operations for liquidity purposes.

His or her powers include, but are not limited to

- Exercising professional control and powers of professional instruction over the CFOs of 4iG Group member companies, setting annual financial targets for them and giving prior approval for the assessment of bonus payments,
- Acting as a preliminary approver for the formation of the financial organisation of the divisions and member companies.
- Preapproving the appointments of the CFOs of member companies,
- Setting the financial targets for the Deputy CEOs responsible for the IT and Telecommunication Divisions and the CEOs of the member companies,
- Preapproving all economic issues that arise in the economic and financial activities of the member companies and divisions and that may affect or influence the economic situation of the 4iG Group,
- Deciding on transactions and transfers of cover between divisions and transfers of cover between member companies within a division,
- Deciding to undertake or contract for tax advice, audit or accounting advice, asset valuation activities at 4iG Group and member company level.

1.3 Evaluation of the work of the Board of Directors, remuneration

The Board of Directors - in order to improve the quality of work - continuously evaluates the work of the leadership (Board of Directors, management) and also conducts a comprehensive evaluation once a year taking into account both the current year's and the longer-term goals.

The remuneration and evaluation of the work of the Board of Directors and Supervisory Board of the Company, as well as the GCEO and Deputy GCEOs of the Company, with a view to the continuous development and growth of the Company, is carried out in accordance with the provisions of the Remuneration Policy⁴ adopted by the General Meeting of the Company.

1.4 The Nomination and Remuneration Committee

1.4.1 Setting up the Nomination and Remuneration Committee

The Nomination and Remuneration Committee set up by the Board of Directors performs its duties in accordance with legal requirements. Pursuant to the resolution of the General Meeting, the Rules of Procedure of the Committee are established by the Committee itself and approved by the Board of Directors of the Company.

The purpose of the Nomination and Remuneration Committee is to support the activities and decision-making of the Company, especially the General Meeting, within the circle of the decisions to be made in the field of corporate governance, in particular the selection, appointment and recall of executive officers and members of the Supervisory Board, and other leaders (e.g. CEO), elaboration of the principles guiding with respect to the waiver and remuneration that can be granted to them, as well as the conditions of suitability (conflict of interest, independence), in accordance with the provisions of the Corporate Governance Recommendations issued by BSE Ltd.

1.4.2 The organisation of the Nomination and Remuneration Committee during the 2022 business year

During the period under review, the Nomination and Remuneration Committee consisted of three (3) members, as follows.

The composition of the Nomination and Remuneration Committee between 1 January 2022 and 31 December 2022

Jászai Gellért Zoltán (chairman; term of appointment: until 2 April 2024)

Linczésyi Aladin Ádám (term of appointment: until 2 April 2024)

Tóth Béla Zsolt (term of appointment: until 2 April 2024)

⁴ [4iG REMUNERATION POLICY 20220429.pdf](#)

1.4.3 Meetings of the Nomination and Remuneration Committee in the period under review

During the period under review, the Nomination and Remuneration Committee did not meet. During the period under review, the Nomination and Remuneration Committee made its decisions by written vote.

During the period under review, the Nomination and Remuneration Committee passed resolutions by electronic voting without holding a meeting two (2) times, during which all member cast their vote.

1.5 Decision-support bodies and meetings

1.5.1 Advisory Board

An Advisory Board consisting of 3-9 (three to nine) members may be established at the Company. In order to make the work of the Board of Directors more efficient, the Board of Directors has decided to establish an Advisory Board as of 1 April 2021. During the discussion of the issues of strategic importance, the members of the Advisory Board support the work of the Board of Directors and the management of the Company with their advice and remarks. The Board of Directors is entitled to approve the operating rules established by the Advisory Board, to appoint the members of the Advisory Board and to recall any member of the Advisory Board.

1.5.2 Chief Executives' Cabinet

The Board of Directors has decided to set up a permanent Chief Executives' Cabinet to assist it in its work. The Chief Executives' Cabinet is the consultative, decision-support, advisory, opinion-forming, proposal-making body of the Board of Directors and has a coordinating role in the top-level governance of the 4iG Group. The Chief Executives' Cabinet gives its opinion on any matter referred to it by the Board of Directors, the Chairman, the Vice Chairman of the Board or the Group Chief Executive Officer.

The Chairman of the Board of Directors is the Chairman of the Chief Executives' Cabinet.

Permanent members of the Chief Executives' Cabinet: the designated members of the Board of Directors, the Vice Chairman of the Board, the Group Chief Executive Officer, the designated deputy GCEOs and the Head of the Chairman's Cabinet.

1.5.3 Cabinet of the Telecommunication Division

To assist the Chief Executive Officer in his work, he decided to set up the permanent Cabinet of the Telecommunication Division. The Cabinet of the Telecommunication Division is the consultative, decision-support, advisory, opinion-forming, proposal-making body of the Vice Chairman of the Board and has a coordinating role in the top-level governance of the 4iG

Group. Chairman of the Cabinet of the Telecommunication Division: Vice Chairman of the Board. Permanent members of the Cabinet of the Telecommunication Division: the Group Chief Executive Officer, the Vice Chairman of the Board, the General Deputy Chief Executive Officers and the Deputy Chief Executive Officer responsible for the Telecommunication Division.

The meetings of the Cabinet of the Telecommunication Division from January 1, 2022 to December 31, 2022:

During the period under review, the Cabinet of the Telecommunication Division met for the first time on 8 September, 2022, following the establishment of the Cabinet. After that, it held meetings on a weekly basis 10 (ten) times with personal participation and another 2 (two) times held electronic voting without holding a meeting.

1.5.4 Cabinet of the IT Division

To assist the CEO in his work, he decided to set up the permanent Cabinet of the IT Division. The Cabinet of the IT Division is the consultative, decision-support, advisory, opinion-forming, proposal-making body of the Vice Chairman of the Board and has a coordinating role in the top-level governance of the IT Division. The Cabinet of the IT Division gives its opinion on any matter referred to it by the Vice Chairman of the Board, the Group Chief Executive Officer or the General Deputy GCEO for Business. Chairman of the Cabinet of the IT Division: Vice Chairman of the Board. Permanent members of the Cabinet of the IT Division: the designated members of the Board of Directors, the Vice Chairman of the Board, the General Deputy GCEO for Business and the Deputy Chief Executive Officer of IT.

1.5.5 Strategy Cabinet

To monitor the strategic objectives of 4iG Plc. and its subsidiaries (together: 4iG Group), the Board of Directors decided to establish a Strategy Cabinet. The members of the Strategy Cabinet actively support the achievement of the 4iG Group's strategic objectives, and regularly (at least annually) assess progress towards these objectives. They meet on a regular basis (at least quarterly) to discuss issues of strategic importance and support the work of the Board of Directors and the Group Chief Executive Officer of the Company with their advice and comments. The Strategy Cabinet has the right to give its opinion before the adoption of the Group-level strategy. Each shareholder with a shareholding of more than 15% in 4iG Plc. has the right to delegate one member to the Strategy Cabinet and to recall the member delegated by him or her. The Chairman is a permanent member of the Strategy Cabinet. The Board of Directors is entitled to approve the rules of procedure established by the Cabinet.

1.5.6 Economic Committee

The Group Chief Executive Officer has decided to set up an Economic Committee. The Economic Committee is an advisory and opinion-forming body to the Group Chief Executive Officer. Chairman of the Economic Committee: the Deputy Chief Executive Officer for Finance. Members of the Economic Committee: Vice Chairman of the Board, Group Chief Executive Officer, General Deputy Chief Executive Officer for Operations.

The Economic Committee met once during the subject year. No written vote was held.

1.5.7 Sustainability Committee

The Group Chief Executive Officer has decided to set up a Sustainability Committee. The Sustainability Committee is an advisory and opinion-forming body to the Group Chief Executive Officer. The members of the Sustainability Committee are appointed by the Chief Executive Officer and comprise 3-7 members. The Sustainability Committee has the power to give an ex-ante opinion on issues delegated by the Chief Executive Officer.

2 Control of the Company

2.1 The Supervisory Board

2.1.1 The organisation of the Supervisory Board during the 2022 business year

A Supervisory Board consisting of four (4) members shall be set up in the Company. The members of the Company's Supervisory Board shall be appointed by the general meeting for either a specified or an unspecified term. Each shareholder owing at least 25 % (twenty-five percent) of the votes shall have the right to nominate one (1) member to the Supervisory Board who shall be appointed by the general meeting. The appointment of the Supervisory Board's member shall take effect when accepted by the person appointed.

The composition of the Supervisory Board between 1 January 2022 and 24 February 2022

During the period under review, the Supervisory Board was constituted by three (3) members, namely:

Simon Zoltán (chairman; term of appointment: indefinite)

Tóthné dr. Rózsa Ildikó (term of appointment: indefinite)

Kunosi András (term of appointment: indefinite)

The composition of the Supervisory Board between 24 February 2022 and 29 April 2022

During the period under review - regarding the appointment of Helmut Paul Merch -, the Supervisory Board was constituted by four (4) members, namely:

Simon Zoltán (chairman; term of appointment: indefinite)
Tóthné dr. Rózsa Ildikó (term of appointment: indefinite)
Kunosi András (term of appointment: indefinite)
Helmut Paul Merch (term of appointment: indefinite)

The composition of the Supervisory Board between 29 April 2022 and 31 December 2022

During the period under review - regarding the resignation of Simon Zoltán and Kunosi András, as well as the appointment of Dr. Fellegi Tamás László and Jobbágy Dénes -, the Supervisory Board was constituted by four (4) members, namely:

Dr. Fellegi Tamás László (chairman; term of appointment: indefinite)
Tóthné dr. Rózsa Ildikó (term of appointment: indefinite)
Jobbágy Dénes (term of appointment: indefinite)
Helmut Paul Merch (term of appointment: indefinite)

All members of the Supervisory Board are considered independent base on Section 3:287 of Civil Code.

The Supervisory Board acts as a body, electing a chairman from among its members. The Chairman of the Supervisory Board convenes and chairs the meetings of the Supervisory Board, orders the voting and determines the result. Any Member of the Supervisory Board or the auditor may request the convening of the meeting – indicating the reason and purpose - in writing at any time from the Chairman, who is obliged to act within eight (8) days from the receipt of the request to convene the meeting of the Supervisory Board within fifteen (15) days.

2.1.2 Tasks of the Supervisory Board

The Supervisory Board controls the Board of Directors of the Company, which manages the Company, for the supreme body of the Company. The Supervisory Board acts as a body, however, it may entrust any of its members with the performance of certain audit tasks, or it may distribute the audit tasks among its members on a permanent basis. The division of the audit does not affect the right of the member of the Supervisory Board to extend the audit to other activities within the scope of audit duties of the Supervisory Board.

powers and duties of the Supervisory Board:

- The Supervisory Board controls the managing Board of Directors of the Company for the General Meeting.
- The Supervisory Board shall inspect all business reports of importance brought before the General Meeting, as well as all proposals which fall within the exclusive scope of competence of the general meeting. In this context, he may request information from senior executives and senior employees of the Company and may examine the books and records of the Company, if necessary, with the involvement of experts. The Members of the

- Supervisory Board are entitled to attend the General Meeting upon the right of consultancy.
- The General Meeting may decide on the report according to the Act C of 2000 on Accounting and the utilization of the profit after tax only in the possession of the written report of the Supervisory Board, which shall be prepared by the Supervisory Board within the deadline required by law, but at least fifteen (15) days before the meeting of the General Meeting. The General Meeting may decide on the payment of dividends at the same time as approving the report pursuant to the Accounting Act, on the proposal of the Board of Directors, approved in advance by the Supervisory Board.
 - The Supervisory Board has the right to monitor the implementation of legislation, resolutions and decisions adopted by the General Meeting, and to initiate the working out and drafting of recommendations and proposals based on the findings and experience gained during the supervision.
 - If, in the judgment of the Supervisory Board, the activities of the Board of Directors are illegal or contrary to the Articles of Association, the resolutions of the general meeting or otherwise infringe the interests of the Company or the shareholders, the Supervisory Board shall convene the General Meeting of the Company to discuss the concerned question and adopt the necessary resolutions.
 - The approval of the Supervisory Board is required for the submission of the company governance and management report simultaneously with the approval of the report.
 - The Supervisory Board is entitled to maintain regular contact with the elected auditor, and is obliged to perform all the tasks referred to the competence of the Supervisory Board by law or the Articles of Association.

2.1.3 Legal status and responsibilities of the members of the Supervisory Board

The members of the Supervisory Board are obliged to act in person, there is no place for representation. The member of the Supervisory Board is independent of the management of the Company and cannot be instructed in the course of his or her activities.

The rules under Subsection 4 to 6 of Sections 3:22 of the Act on Civil Code and Subsection 2 of Section 3:26 of the Hungarian Civil Code, on grounds for exclusion, shall apply to the members of the Supervisory Board accordingly. Conflicts of interest are otherwise covered by Articles 15.18-15.21 of the Articles of Association.

In view of the fact that the Company is a listed joint stock company, its operation is governed by the provisions of the Act of CXX of 2001 on Capital Market (hereinafter referred to as Capital Market Act); the members of the Supervisory Board shall carry out their activities in compliance with the provisions of the Capital Market Act, – in particular to fulfil any potential reporting obligation of the members of the Supervisory Board as insiders to the Hungarian National Bank under the provisions of the Capital Market Act and of the Regulation (Eu) No 596/2014 of the European Parliament And of the Council (16 April 2014) on market abuse (market abuse

regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

In accordance with the applicable rules of the Act on Civil Code on liability for breach of contract, the members of the Supervisory Board are jointly and severally liable to the Company for damage caused to the Company through their failure to perform or improper performance of their audit obligations, also including breaches of the audit obligation related to the preparation and disclosure of the report according to the Accounting Act and related business report. The division of audit tasks does not affect the responsibilities of the members of the Supervisory Board detailed in this section.

The members of the Supervisory Board shall keep confidential and treat as business secret the information they learn about the Company's business affairs.

2.1.4 Supervisory Board meetings held during the period under review

During the period under review, in the 2022 business year, the Supervisory Board met four (4) occasions in person and passed resolutions by electronic voting without holding a meeting another ten (10) times. 1 (one) Supervisory Board meeting was held again due to the absence of Helmut Paul Merch, in addition, all Supervisory Board meetings and votes had a quorum, in the personal meeting all members appeared, while in electronic votes, all members cast their votes.

2.2 The Audit Committee

2.2.1 The organisation of the Audit Committee during the 2022 business year

The composition of the Audit Committee between 1 January 2022 and 29 April 2022

During the period under review, the Audit Committee was constituted by three (3) members, namely:

Simon Zoltán (chairman; term of appointment: indefinite)

Tóthné dr. Rózsa Ildikó (term of appointment: indefinite)

Kunosi András (term of appointment: indefinite)

The composition of the Audit Committee between 29 April 2022 and 31 December 2022

During the period under review, the Audit Committee - regarding the resignation of Simon Zoltán and Kunosi András - was constituted by three (3) members, namely:

Dr. Fellegi Tamás László (chairman; term of appointment: indefinite)

Tóthné dr. Rózsa Ildikó (term of appointment: indefinite)

Jobbágy Dénes (term of appointment: indefinite)

2.2.2 Duties and powers of the Audit Committee

Duties and powers of the Audit Committee

- commenting on the annual report,
- proposing the identity and remuneration of the auditor,
- preparing the contract to be concluded with the auditor,
- monitoring the enforcement of professional requirements and conflict of interest rules for the auditor, performing tasks related to the cooperation with the auditor and, if necessary, proposing measures to be taken by the Supervisory Board,
- evaluating the operation of the financial reporting system and proposing the necessary measures to be taken,
- assisting the work of the Supervisory Board in order to properly control the financial reporting system.

2.2.3 Meetings of the Audit Committee held during the period under review

During the period under review, in the 2022 business year, the Audit Committee met one (1) occasion in person and passed resolutions by electronic voting without holding a meeting another once (1). All meetings and votes of the Audit Committee had a quorum, in the personal meeting all members appeared, while in electronic votes, all members cast their votes.

2.3 The auditor

2.3.1 Elected Auditor of the Company

The permanent auditor of the Company is elected by the General Meeting on the basis of the proposal of the Audit Committee.

With its Decision No. 11/2022. (IV.29.), the General Meeting elected Interauditor Consulting Korlátolt Felelősségű Társaság (registered office: 1074 Budapest, Vörösmarty utca 16-18. A. ép. Fsz. 1/F.; company registration number: 01-09-388885) as the permanent auditor of the Company. The auditor's assignment shall last until the adoption of the balance sheet for the business year 2022, but not later than 30 April 2023.

Freiszberger Zsuzsanna (place and date of birth: Barcs, 27 July 1977; mother's name: Böczkös Rózsa Mária; residential address: 2440 Százhalombatta, Rózsa utca 7., membership number: 007229) is personally responsible for the audit on behalf of the auditor.

The General Meeting decided to set the remuneration of the Auditor in respect of the separate annual report of the Company in accordance with IAS-IFRS is HUF 9,900,000, - + VAT, i.e. nine million nine hundred thousand Hungarian forints + VAT (gross HUF 12,573,000 Hungarian forints), while in view of the consolidated annual report of the Company, taking into account

the dynamic development of the Company and its growth, HUF 9,000,000 + VAT, i.e. nine million Hungarian forints + VAT, (i.e. gross HUF 11,430,000, Hungarian forints).

2.3.2 Requirements for the auditor

In addition to the Supervisory Board, the management is audited by the permanent auditor. The permanent auditor may review the books of the Company, request information from the directors and employees of the Company, and inspect the cash-desk, the stock of securities and merchandise of the Company, as well as its contracts and bank accounts.

The permanent auditor shall be invited to the General Meeting of the Company. He may also be present at the meetings of the Board of Directors and the Supervisory Board, and he may initiate participation in these meetings with the right of consultation.

The Company has the authenticity and legality of its financial statements under the Act on Accounting verified by an auditor. The permanent statutory auditor is obliged to attend the General Meeting discussing the annual report, but his or her absence does not prevent that the General Meeting be held. In addition, the auditor is required to examine all material business reports to be submitted to the General Meeting in terms of whether they contain real data or comply with legal requirements.

If the permanent statutory auditor detects a change in the Company's assets that jeopardizes the satisfaction of claims against the legal entity, or if he detects a circumstance that gives rise to the statutory liability of the executive officer or members of the Supervisory Board, he is obliged to initiate that the Board of Directors take the measures necessary for the General Meeting to pass a resolution. If the initiative is without any result, the auditor is obliged to notify the Court of Registration which supervises legality.

The permanent auditor of the Company is elected by the General Meeting for a maximum period of five (5) years. The General Meeting is also responsible for determining remuneration.

The term of office of the permanent statutory auditor shall not be less than the period between the general meeting electing him and the general meeting approving the next report. The recall of the corporate auditor may not be based on the refusal of the findings made in the independent auditor's report or the issuance of an audit clause related to the Company's financial statements in accordance with the Act on Accounting.

A person who is on the register of auditors in accordance with the relevant legislation may be elected as a permanent statutory auditor.

If the permanent statutory auditor is a business association, in addition to the person performing the audit activity, the personal conflict of interest rules shall apply to all members, shareholders, senior executives and senior employees of the business association.

The person responsible for the audit may not perform work for the Company on the basis of another engagement and the permanent auditor business association may perform other tasks only if the subject of the engagement does not affect the duties of the auditor specified in the personal service contract on the auditor's duties, concluded with the management of the Company.

Following his election, the Board of Directors enters into a contract with the permanent statutory auditor in accordance with the general rules of civil law.

If the permanent statutory auditor is a business association, it must identify the member, executive officer or employee who is personally responsible for the audit. This person may be appointed only with the approval of the General Meeting.

Persons elected to the position of permanent statutory auditor may be re-elected and recalled.

The position of the permanent statutory auditor shall be terminated

- a) at the end of the period specified in the contract,
- b) by recall based on a decision of the General Meeting,
- c) upon the occurrence of any ground for exclusion specified by law,
- d) termination of the contract by the auditor,
- e) upon death.

The permanent statutory auditor is obliged to keep the information obtained about the affairs of the Company as business secrets.

The liability of the permanent statutory auditor is governed by the liability rules specified in the legislation applicable to auditors and in the Act on Civil Code.

3 Internal controls, risk management procedures

The aim of the 4iG Group's compliance program is to create a value-conscious, compliance-based corporate culture. The 4iG Group is committed to carrying out its activities in accordance with applicable laws, other non-legal rules, standards and ethical norms.

The 4iG Group has established a separate Ethics organizational system, which consists of the Ethics Committee and the 4iG Group Compliance organization, in order to monitor compliance with the provisions contained in the Code of Ethics and Business Conduct and to promote and maintain ethical behavior. The Ethics Committee operates independently of the work organization of the 4iG Group and reports directly to the Board of Directors of 4iG Plc. In addition to the Ethics Committee, 4iG Group Compliance Officers operate at the group level. Employees of the 4iG Group can ask Compliance questions face-to-face, should any ethical or moral issue concerning them arise at their workplace. The 4iG Group operates an Ethics and

Compliance Line to facilitate reporting. Group Compliance reports annually on compliance activities to the Board of Directors and the Supervisory Board.

3.1 Group Internal Audit

The Head of Group of Internal Audit is responsible for the operation of the internal audit system and the functions of the Internal Audit Unit. The organisation, powers and duties of internal auditing as well as the professional requirements and procedural rules of the internal auditor shall be set out in internal rules of the Company. He or she reports directly to the Supervisory Board.

Task:

- Facilitating operations in compliance with the relevant legislation,
- As part of internal auditing tasks, he or she prepares the audit schedule and, based on the annual audit work plan approved by the Supervisory Board, carries out financial and management audits, target audits, thematic audits and follow-up audits at the member companies of the 4iG Group; he or she prepares written documentation on the findings of the audits and makes recommendations for the elimination of the shortcomings identified,
- Checking compliance with the requirements of the 4iG Group's internal rules and examining it for legality, security and transparency,
- Identifying deviations from legislation and internal rules and making recommendations to correct the shortcomings identified,
- Monitoring compliance with the requirements of the 4iG Group's internal rules and the sufficiency of their content,
- Developing a system of internal control in line with the specificities, scope, complexity and risks of the service activities carried out by the 4iG Group,
- Operating the internal control system for the 4iG Group as a whole, for the separate and integrated operation of its individual organisational units and for outsourced activities,
- Reporting to the Supervisory Board, the Group Chief Executive Officer and the Board of Directors,
- Carrying out additional audit tasks to the annual plan, as defined by the Supervisory Board, the Board of Directors and the General Deputy Chief Executive Officers,
- Conducting ad hoc audits.

His or her powers include, but are not limited to

- Representing the Company in relation to internal audit matters, coordinating and supervising the work of agents and internal auditor(s).

As an integral part of the internal controls system, the Company operates a Group-level compliance and data protection (GDPR) compliance function. The Group Head of Compliance carries out his or her operational work together with the heads of the organisational units and is required to report directly to the Board of Directors.

3.2 Risk management procedures

Within the scope of the Company's risk evaluation activities, the areas supervised by the General Deputy Chief Executive Officers and the members of the operational management (finance, engineering, sales, communications and marketing, safety and security, HR and key projects) collaborate, assess the nature of risks on a weekly basis and determine the necessary steps to manage the risks. Risk assessment is part of the planning and forecasting process and the preparation of new investment decisions. The organisation units of the Deputy CEOs for business, technology and trade continuously monitor the changes and risk factors that have arisen compared to the plans, and the Deputy CEO for Business reports on these to the management on a weekly basis. The Deputy CEOs, together with the operational management, determine the necessary risk management measures in accordance with the objectives set by the Board of Directors in accordance with the risk management policy of the 4iG Group.

Risk management policies and systems are reviewed periodically in order to reflect the changed market conditions and the Group's current and proposed activities.

4 Presentation of the Company's disclosure and insider trading policy

4.1 The Company's Disclosure Principles

With regard to disclosure, the Company acts in accordance with the stock exchange rules and the laws in force, that is, during the period under review, it publishes its results in the form of a 1st quarterly report, half-yearly report, 3rd quarterly report and 4th quarterly report, and an annual report at the end of its business year. In addition, it discloses extraordinary information if it becomes aware of information with regard to changes that have taken or are about to take place in its business management that may affect the value or yield of the securities it issues, directly or indirectly, or are relevant to market participants in making their investment decisions. Through its office, the Company is in constant contact with investors and provides availability to answer investors' questions.

4.2 The Company's insider trading policies

The circle of insiders is regulated by law. The Company enforces the provisions of the law with this effect by drawing the attention of the parties concerned to their observance with a separate internal instruction, and by referring the management of related matters to the competence of the Company's office. The Company's office discloses the data of insiders and securities issued to the Hungarian Financial Supervisory Authority once a year at the same time as sending the annual report in accordance with the legal provisions.

5 Shareholder rights

5.1 Overview of the manner of exercising shareholder rights

Between 1 January 2022 and 24 January 2022, the share capital of the Company consisted of 103,207,921,- quantity series 'A' dematerialized ordinary shares with a nominal value of 20,- HUF per each, embodying the same membership rights. The share capital of the Company is 2,064,158,420,-HUF.

Between 24 January 2022 and 23 February 2022, the share capital of the Company consisted of 219,625,831,- quantity series 'A' dematerialized ordinary shares with a nominal value of 20,- HUF per each, embodying the same membership rights. The share capital of the Company is 4,392,516,620,-HUF.

Between 23 February 2022 and 4 March 2022, the share capital of the Company consisted of 269,849,712,- quantity series 'A' dematerialized ordinary shares with a nominal value of 20,- HUF per each, embodying the same membership rights. The share capital of the Company is 5,396,994,240,-HUF.

Between 4 March 2022 and 1 April 2022, the share capital of the Company consisted of 279,313,594,- quantity series 'A' dematerialized ordinary shares with a nominal value of 20,- HUF per each, embodying the same membership rights. The share capital of the Company is 5,586,271,880,-HUF.

Between 1 April 2022 and 31 December 2022, the share capital of the Company consisted of 299,074,974,- quantity series 'A' dematerialized ordinary shares with a nominal value of 20,- HUF per each, embodying the same membership rights. The share capital of the Company is 5,981,499,480,-HUF.

After his share, the shareholder is entitled to dividends, the right to a liquidation share, the right to participate and vote at the general meeting, and minority rights.

The Board of Directors of the Company or its agent in accordance with the rules of the Capital Markets Act shall keep a share register of the shares, which shall contain at least the following:

- the name / business name of the shareholder, shareholder's proxy, or the joint representative,
- the residential address / registered office of the shareholder, shareholder's proxy, or the joint representative,
- the number of shares or interim shares, and the percentage of control of shareholders for each series of shares,
- other data defined in the legal regulations or possibly in the Articles of Association.

Any data being deleted from the share register is to remain identifiable.

The shareholder shall have the right to inspect the share register and such shareholder shall ask a copy of the part related to him or her. Any third party is entitled to inspect the share register.

The Company accepts the account statement issued by Központi Elszámolóház és Értéktár Zrt. (KELER) and the organizations authorized to manage securities accounts, as well as the shareholder identification procedure in accordance with KELER's rules of procedure as proof of share ownership.

A shareholder whose name does not appear in the share register may not exercise his shareholder rights.

5.2 Brief description of the rules related to the conduct of the General Meeting

The supreme body of the Company is the General Meeting, which consists of all shareholders.

The General Meeting shall be held at least once (1) a year, no later than April 30 following the closing of the financial year, including cases of repeated or suspended general meetings.

The General Meeting is convened by the Board of Directors, except for those cases specified in the Act on Civil Code when the Supervisory Board or the Court of Registration of the Court of Justice or the shareholders are entitled to convene the General Meeting due to reasons specified by law.

The invitation to the General Meeting shall be published by the Board of Directors publicly (on its own website, on the website of the BSE and National Bank of Hungary) at least thirty (30) days prior to the planned General Meeting in the manner specified for the announcements of the Company.

All invitations and announcements of the General Meeting shall indicate the corporate name and registered office of the Company, the place, date and time of the General Meeting, the agenda and the conditions for exercising the right to vote, and the place and date of the General Meeting repeated due to the lack of a quorum. Pursuant to the relevant provisions of the Articles of Association - in accordance with the Act on Civil Code - the invitation to the General Meeting shall specify the manner of holding the General Meeting, the conditions for exercising the right to supplement the agenda item, and the place of access to the draft resolutions and the text of documents to be submitted to the General Meeting.

A matter not included in the published agenda may be resolved by the General Meeting only if all the shareholders are present and unanimously agree. The General Meeting has a quorum if shareholders representing more than half of the voting shares are present in person or through an authorized representative. The power of attorney for such representation shall be recorded in an authentic instrument or in a private instrument with full probative force. The power of

attorney is valid for one General Meeting or for a specified period of time, but for a maximum of twelve (12) months. The validity of the power of attorney also extends to the resumption of the suspended General Meeting and the General Meeting reconvened due to the lack of a quorum.

If the General Meeting does not have a quorum, in the case of a repeated General Meeting convened with the same agenda item on the same starting date as the general meeting without a quorum with the fact that the repeated general meeting shall be convened no later than twenty-one (21) days after the date of the general meeting without a quorum. The General Meeting which has been repeated due to the lack of a quorum has a quorum in the matters on the original agenda regardless of the number of those present.

Membership rights at the General Meeting may be exercised by the person who owns the share on the record date of ownership matching. The record date of ownership matching is in line with the relevant regulations of KELER Zrt.

Voting shall be by open ballot showing the number of votes.

The Company applies the “one share one vote” principle.

The presiding Chairman, the teller, the recorder of the minutes and the verifier of the minutes of the General Meeting are elected by the General Meeting by a simple majority of those present, provided that the verifier of the minutes of the General Meeting may only be a shareholder present or his representative.

Minutes shall be kept of the General Meeting.

In this Corporate Governance Report, 4iG Plc. provides a comprehensive description of the company's (management) processes and practices. The detailed rules of the functions presented can be found in the Articles of Association in force at any time, which are available on the Company's website (www.4ig.hu) and on the BSE website (www.bet.hu).

6 Presentation of compliance with Chapter IV of Act LXVII of 2019 on Encouraging Long-term Shareholder Engagement and Amendments of Further Regulations for Harmonisation Purposes

If the remuneration policy of the Company changes significantly, the general meeting will decide on this in the framework of an opinion vote. The annual ordinary general meeting of the Company held on April 29, 2022 adopted the remuneration policy of the Company⁵ - corresponding to sections 16-18 of the Act LXVII of 2019 on Encouraging Long-term Shareholder Engagement and Amendments of Further Regulations for Harmonisation Purposes (hereinafter: the “SRD Act”) by General Meeting Resolution No. 16/2022. (IV.29).

⁵ [4iG REMUNERATION POLICY 20220429.pdf](#)



Corporate Governance Report

In accordance with the provisions of the Civil Code and the SRD Act, the Company prepares an annual remuneration report, which is also decided by the general meeting in the framework of an opinion vote. Details of the benefits paid to the Company's directors in accordance with the SRD Act in the 2022 business year are contained in the Company's remuneration report.

Dated as of 28th April 2023 in Budapest

4iG Plc.



Corporate Governance Declaration

on compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, the company declares to the extent that it has applied the recommendations and recommendations formulated in the specific sections of the Corporate Governance Recommendations (“FTR”) issued by the Budapest Stock Exchange Ltd. during its own corporate governance practice.

Compliance with Recommendations

The company shall indicate whether or not it applies the relevant recommendation or, in the event of a negative answer, provide a brief statement of the reasons why it has not applied that recommendation.

1.1.1. The Company has an organisational unit dealing with investor relationship management, or a designated person to perform these tasks.

Yes

No

Explanation:

1.1.2. The Company’s Articles of Association are available on the Company’s website.

Yes

No

Explanation:

1.1.4. If the Company’s Articles of Association allow shareholders to exercise their rights in their absence, did the Company publish the methods and conditions of doing so, including all necessary documents.

Yes

No

Explanation:

1.2.1. The Company published on its website a summary document containing the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders.

Yes

No

Explanation: Instead of a summary document, prior to each general meeting, in compliance with legal requirements, it published the rules for the conduct of general meetings and the exercise of shareholder voting rights.

1.2.2. The Company published the exact date when the range of those eligible to participate in a given company event is set (record date), and also the last day when the shares granting eligibility for participating in a given company event are traded.

Yes

No

Explanation:

1.2.3. The Company held its General Meetings in a manner providing for maximum shareholder participation.

Yes

No

Explanation:

1.2.6. The Company did not restrict the shareholders' right to designate a different representative for each of their securities accounts to represent them at any General Meeting.

Yes

No

Explanation:

1.2.7. For proposals for the agenda items, the Board of Directors' draft resolution and also the Supervisory Board's opinion were disclosed to the shareholders.

Yes

No

Explanation: The Company is constantly striving to fully meet this requirement in the future.

1.3.3. The Company did not restrict the right of its shareholders attending a General Meeting to request information, add comments and submit proposals, or set any preconditions for these with the exception of some measures taken to conduct the General Meeting in a correct manner and as intended.

Yes

No

Explanation:

1.3.4. By answering the questions raised at the General Meeting, the Company ensured compliance with the information provision and disclosure principles set out in legal and stock exchange requirements.

Yes

No

Explanation:

1.3.5. The Company published on its website the answers to the questions that the representatives of the Company's boards or its auditor present at the General Meeting could not satisfactorily answer at the meeting within 3 working days following the General Meeting, or an official statement explaining why it refrained from giving answers.

Yes

No

Explanation: No such circumstance arose in the 2022 business year.

1.3.7. The Chairman of the General Meeting ordered a recess or suggested that the General Meeting be postponed when a proposal or proposal relating to a particular issue on the agenda was submitted which the shareholders hadn't had a chance to become familiar with before the General Meeting.

Yes

No

Explanation:

1.3.8.1. The Chairman of the General Meeting did not use a combined voting procedure for a decision related to electing and recalling executive officers and Supervisory Board members.

Yes

No

Explanation:

1.3.8.2. For executive officers or Supervisory Board members, whose nominations were supported by shareholders, the Company disclosed the identity of the supporting shareholder(s).

Yes

No

Explanation:

1.3.9. Prior to discussing agenda items concerning the amendment of the Articles of Association, the General Meeting passed a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way.

Yes

No

Explanation: In the reporting period there was no consolidated resolution amending the Articles of Association at the General Meetings, for which the consolidated nature would have impaired the transparency of the amendments. The amendments to the section of the Articles of Association, where the consolidated nature would have impaired the transparency of the amendments, were decided in separate resolutions.

1.3.10. The Company published the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting.

Yes

No

Explanation:

Issues covered by point 1.5 have repealed⁶

1.6.1.1. The Company's publication guidelines cover the procedures for electronic, online disclosure.

Yes

No

Explanation:

1.6.1.2. The Company designs its website by considering the aspects of disclosure and the information of investors.

Yes

No

Explanation:

1.6.2.1. The Company has an internal publication policy in place which covers the processing the information listed in Section 1.6.2 of the Recommendations.

Yes

No

Explanation:

1.6.2.2. The internal regulations of the Company cover the methods for the assessment of events judged to be important for publication.

Yes

No

Explanation:

⁶ As a result of the review of the Recommendations in 2020, the Corporate Governance Committee repealed Section 1.5 on Remuneration and recommendations under 1.6.7 and accordingly amended items 1.6.2, 1.6.9 and 2.2.2 as well as Annex 1, with regard to the provisions of *Act 67 of 2019 on the incentivisation of long-term shareholder participation and harmonization of particular other acts*, which governs remuneration matters. However, in the future, the Committee intends to give interpretations and guidance to complement these legal provisions as relevant experience is learnt and gathered. New recommendations derived from this experience shall replace the repealed or amended ones.

1.6.2.3. The Board of Directors/Management Board assessed the efficiency of the publication processes.

Yes

No

Explanation: The Board of Directors fulfilled within the statutory time-limit all of its obligations pertaining to personal responsibilities for disclosure and it was not necessary to assess the efficiency of the publication processes.

1.6.2.4. The Company published the findings of the efficiency assessment of the publication process.

Yes

No

Explanation: The above practice has not been carried out by the Company so far, in the absence of a recommendation to this effect.

1.6.3. The Company published its annual company event calendar.

Yes

No

Explanation:

1.6.4. The Company published its strategy, business ethics and policies regarding other stakeholders.

Yes

No

Explanation:

1.6.5. The Company published the career information of Board of Directors / Management Board, Supervisory Board and management members in its annual report or on the company website.

Yes

No

Explanation: The Company is constantly striving to comply with the disclosure of information.

1.6.6. The Company published all relevant information about the internal organisation and the operation of the Board of Directors / Management Board and the Supervisory Board, about the work of the management, the assessments of these and the changes in the current year.

Yes

No

Explanation:

Issues covered by point 1.6.7.1-2. have repealed⁷

1.6.8. The Company published its risk management guidelines and information about its system of internal controls, the main risks and the principles for their management.

Yes

No

Explanation:

1.6.9.1. The Company published its guidelines relating to the trading of its shares by insiders.

Yes

No

Explanation: The Company's Policy has not been published, the Company complies with the provisions of this point by publishing transactions and insider information, on the basis of which insiders must fully comply with their legal obligations regarding their quality.

⁷ Vid. point 1.5 (Page 18)

1.6.9.2. The Company disclosed the share of the Board of Directors / Management Board, Supervisory Board and management members in the securities issued by the Company, as well as the extent of their interest under the equity-based incentive system in the annual report or in some other way.

Yes

No

Explanation:

1.6.10. The Company published the relationship of Board of Directors / Management Board, Supervisory Board and management members may have with third parties which could affect the operation of the Company.

Yes

No

Explanation: It was not like that in the 2022 business year.

2.1.1. The Company's Articles of Association contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Management Board.

Yes

No

Explanation:

2.2.1. The Board of Directors / Management Board have rules of procedure in place defining the organisational structure, the actions for arranging for and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Management Board.

Yes

No

Explanation:

2.2.2. The Company publishes the procedure used for nominating Board of Directors / Management Board members and the principles for determining their remuneration.

Yes

No

Explanation:

2.3.1. The Supervisory Board provides a detailed description of its operation, competencies and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan.

Yes

No

Explanation:

2.4.1.1. The Board of Directors / Management Board and the Supervisory Board held meetings periodically at a predefined interval.

Yes

No

Explanation: They meet regularly as needed.

2.4.1.2. The rules of procedure of the Board of Directors / Management Board and the Supervisory Board provide rules for the conduct of meetings that cannot be planned in advance, and for decision-making using electronic telecommunications means.

Yes

No

Explanation:

2.4.2.1. The board members had accessed to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting.

Yes

No

Explanation: The board members always had the necessary information before the decision-making, and they made the decisions with this information in their possession.

2.4.2.2. The Company arranged the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Management Board and the Supervisory Board.

Yes

No

Explanation:

2.4.3. The rules of procedure provide for the regular or ad hoc participation of non-board members at respective board's meetings.

Yes

No

Explanation:

2.5.1. The members of the Board of Directors / Management Board and the Supervisory Board nominated and elected in a transparent process, and was the information about the candidates was made public in due time before the General Meeting.

Yes

No

Explanation:

2.5.2. The composition and size of the boards comply with the principles set out in Section 2.5.2 of the Recommendations.

Yes

No

Explanation:

2.5.3. The Company ensured that the newly elected Board of Directors / Management Board and Supervisory Board members became familiar with the structure and operation of the Company and their tasks were carried out as members of the respective boards.

Yes

No

Explanation:

2.6.1. The Governing Board / Supervisory Board requested (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals.

Yes

No

Explanation:

2.6.2. The Company provides information about the tools which ensure that the Board of Directors / Management Board assesses objectively the management's activities.

Yes

No

Explanation:

2.6.3. The Company published its guidelines concerning the independence of its Management Board / Supervisory Board members and the applied independence criteria on its website.

Yes

No

Explanation: The Company applies the BSE and the relevant legal regulations.

2.6.4. The Supervisory Board of the Company has no members who has held any position in the Board of Directors or in the management of the Company in the five years preceding his/her nomination, not including cases when they were involved to ensure employee participation.

Yes

No

Explanation: Between 6 September 2019 and 25 November 2020, Zoltán Simon was a member of the Board of Directors of the Company. After that, he was a member of the Supervisory Board between 25 November, 2020 and 29 April, 2022. In view of the corporate structure of the Company, the former management member was elected to the Supervisory Board of the Company, further increasing the Company's prudential compliance considering that the personnel issue of the Supervisory Board is very sensitive, similarly to the members of the management, therefore the suitable candidate has been appointed to the Supervisory Board. Otherwise, the Company considered this methodology to be a temporary solution in order to fully comply with this recommendation, therefore, as of 29 April, 2022, new members of the supervisory board were elected, fully complying with this recommendation.

2.7.1. Members of the Board of Directors / Management Board informed the Board of Directors / Management Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence.

Yes

No

Explanation:

2.7.2. Transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company carried out in accordance with the Company's general business practice but applying more stringent transparency rules compared to general business practice, and they were approved.

Yes

No

Explanation:

2.7.3. Board members informed the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group.

Yes

No

Explanation: When electing the members of the board, they make a statement as to which company, which does not belong to the group, has a board or management membership. According to the rules of procedure of the Board of Directors, if a Member of the Board of Directors accepts a new executive officer assignment, he/she must notify the Chairman of the Board of Directors of this fact within 15 (fifteen) days at the latest from the date of acceptance of the position.

The Articles of Association expressly allows a person, who holds an executive officer's position in other business association involved in the same main business activity as the Company, to be the member of the Board of Directors or Supervisory Board.

2.7.4. The Board of Directors / Management Board developed guidelines for the flow of information and the management of insider information within the Company, and monitor compliance with them.

Yes

No

Explanation:

2.8.1. The Company created an independent internal audit function that reports directly to the Audit Committee / Supervisory Board.

Yes

No

Explanation:

2.8.2. The Internal Audit has unrestricted access to all information necessary for carrying out audits.

Yes

No

Explanation:

2.8.3. The shareholders received information about the operation of the system of internal controls.

Yes

No

Explanation: In the information document related to the bond named 4iG NKP Bond 2031/II, the issuer's risk management mechanisms have been presented.

2.8.4. The Company has a compliance ensuring function (compliance function).

Yes

No

Explanation:

2.8.5.1. The Board of Directors / Management Board or a committee operated by it responsible for the supervision and management of the entire risk management of the Company.

Yes

No

Explanation:

2.8.5.2. The relevant organisation of the Company and the General Meeting received information about the efficiency of the risk management procedures.

Yes

No

Explanation: The appropriate body of the Company does, however, the Company applies the relevant legal regulations regarding general meeting information.

2.8.6. With the involvement of the relevant areas, the Board of Directors / Management Board developed the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company.

Yes

No

Explanation:

2.8.7. The Board of Directors / Management Board defined the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives.

Yes

No

Explanation:

2.8.8. The internal control systems functions reported about the operation of internal control mechanisms and corporate governance functions to the competent board at least once a year.

Yes

No

Explanation:

2.9.2. The Board of Directors / Management Board invited the Company's auditor in an advisory capacity to the meetings on financial reports.

Yes

No

Explanation:

Level of compliance with the Proposals

The Company must state whether it follows the relevant proposal included in the Corporate Governance Recommendations, or not (Yes / No). The Company can also explain any derogation from it.

1.1.3. The Company's Articles of Association provide an opportunity for shareholders to exercise their voting rights also when they are not present in person.

Yes

No

Explanation: At the General Meeting, shareholders can exercise their shareholder rights through a proxy, the terms of which will be published on the Company's website in the invitation to the General Meeting. The Company's Articles of Association do not allow participation in the General Meeting via electronic telecommunications means.

1.2.4. The Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account.

Yes

No

Explanation: No such thing happened.

1.2.5. The voting procedure used by the Company ensure a clear, unambiguous and fast determination of voting results, and in the case of electronic voting, also the validity and reliability of the results.

Yes

No

Explanation:

1.3.1.1. The Board of Directors/Management Board and the Supervisory Board were represented at the General Meeting.

Yes

No

Explanation:

1.3.1.2. In the event the Board of Directors/ Management Board and the Supervisory Board was absent, it was disclosed by the Chairman of the General Meeting before discussion of the agenda began.

Yes

No

Explanation:

1.3.2.1. The Articles of Association of the Company do not preclude any individuals from receiving an invitation to the General Meetings of the Company at the initiative of the Chairman of the Board of Directors/ Management Board and being granted the right to express their opinion and to add comments there if that person's presence and expert opinion is presumed to be necessary or help provide information to the shareholders and help the General Meeting make decisions.

Yes

No

Explanation:

1.3.2.2. The Articles of Association of the Company do not preclude any individual from receiving an invitation to the General Meetings of the Company at the initiative of shareholders requesting to supplement the agenda items of the General Meeting and from being granted the right to express their opinion and to add comments there.

Yes

No

Explanation:

1.3.6. The annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation.

Yes

No

Explanation:

1.4.1. In line with Section 1.4.1, did the Company pay dividend within 10 working days to those of its shareholders who had submitted all the necessary information and documents.

Yes

No

Explanation: In accordance with point 1.4.1, the Company paid its shareholders within 10 working days, but at the latest by the end of the year of the general meeting establishing the dividend payment.

1.6.11. The Company published its information in English as well, in line with the provisions of Section 1.6.11.

Yes

No

Explanation:

1.6.12. The Company informed its investors about its operation, financial situation and assets on a regular basis, but at least quarterly.

Yes

No

Explanation:



Corporate Governance Report

2.9.1. The Company has in place internal procedure(s) regarding the use of external advisors and outsourced activities.

Yes

No

Explanation:

28th April 2023, Budapest

4iG Plc. Board of Directors