

# **Remuneration Policy of 4iG Public Limited Company**

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

**Enters into force: 16 December 2020**

## **PREAMBLE**

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

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

### **I. Scope of the Remuneration Policy**

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

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

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

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

### **II. Personal scope of the Remuneration Policy**

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

### **III. Components of the Remuneration system**

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

#### **1. Remuneration of the members of the Board of Directors**

- The management body of 4iG Plc. is the Board of Directors with the authority of those necessary decisions made in relation to the management of the Company which do not belong to the exclusive authority of the General Meeting or other corporate body on the basis of the Articles of Association or of any other act.
- The remuneration regarding the members of the Board of Directors is a fixed-amount honoraria, and they are not entitled to any other performance-based remuneration. The Nomination and Remuneration Committee shall propose the amount of the honoraria.
- The members of the Board of Directors are entitled to receive the remuneration for the period of their assignment, regardless of the reason for the assignment termination.

- Adoption and modification of the remuneration owed by the members of the Board of Directors of the Company are transferred into the exclusive authority of the General Meeting of 4iG Plc.

## **2. Remuneration of the members of the Supervisory Board**

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

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

### **3.1. Annual basic salary**

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

### **3.2. Annual incentives, premium**

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

### **3.3. Premium of ad hoc nature**

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

### **3.4. Long-term incentive system**

To this, the Company introduced the Employee Stock Option Plan (hereinafter referred to as: „ESOP”), which makes the employees interested in the improvement of the Company's performance.

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

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

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

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

\*At the time of adoption of the Remuneration Policy

### **3.5. Other benefits**

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

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

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

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

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

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

### **3.6. Work-related components of the contract**

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

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

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

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

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

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

#### **IV. Closing provisions**

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

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

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

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

The Remuneration Policy is prepared and submitted by the human resource specialists of the Company upon negotiating with the co-specialists involved for the Board of Directors of the Company.

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

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

The herein Remuneration Policy is effective as of 01 January 2021 but not later than as of the day of the approval by the General Meeting of the Company. As it is set forth in Sections 16-18 of SRD Act, the present remuneration policy and any amendment of thereof is under the authority of the General Meeting of the Company.

Dated as of 16 December 2020 in Budapest