



**THE REMUNERATION POLICY OF 4IG NYILVÁNOSAN MŰKÖDŐ  
RÉSZVÉNYTÁRSASÁG (IN ENGLISH: 4IG PUBLIC LIMITED COMPANY)**

PURSUANT TO ACT LXVII OF 2019, ON ENCOURAGING LONG-TERM SHAREHOLDER ENGAGEMENT AND  
AMENDMENTS OF FURTHER REGULATIONS FOR HARMONISATION PURPOSES



Effective from: [\*] 2024



## Preamble

The remuneration and assessment of the work of the Board of Directors, the Supervisory Board of 4iG Nyrt. (in English: 4iG Plc.) (hereinafter referred to as: “4iG Nyrt.” or the “Company”), the CEO and the Deputy CEOs of the Company, focussed on the continuous development and growth of the Company, is executed in accordance with the Remuneration Policy adopted by the General Meeting of the Company. In accordance with Act LXVII of 2019 on Encouraging Long-term Shareholder Engagement and Amendments of Further Regulations for Harmonisation Purposes (the “SRD Act”) and in line with the above objectives, 4iG Nyrt. adopts the following principles and rules in this Remuneration Policy.

### I. Purpose of the Remuneration Policy

The Remuneration Policy of 4iG Nyrt. is designed to recognise and encourage the performance of the management and key top executives of 4iG Nyrt. in achieving the Company’s results in line with the Company’s profitability potential.

As a dominant, leading player in the Hungarian IT and telecommunications sector, 4iG Nyrt. creates value for its customers throughout the entire IT and telecommunications lifecycle, from the definition of demand, through the development of complex systems, to the maintenance of reliable operation.

The Company’s operation is based on stable, predictable corporate foundation, but at the same time it has an agile, innovative, start-up approach. As a listed company, its processes and activities are transparent and its financial and professional results are public. In the the fiscal year of 2022, the governance structure of 4iG Plc. has changed. The Board of Directors of 4iG Plc. decided to restructure the strategic management of the Group and to create a new management structure to support the increased size and tasks of the operations, to coordinate the integration processes and to support the operation of the telecommunications and IT divisions more efficiently. As of 1 September 2022, the positions of Chairman of the Board of Directors and CEO of the company have been separated and the Holding Centre responsible for the structured management of the Group has been created. The positions of Deputy CEO of 4iG Plc have changed in this context.

In the new model created by the strategic transformation, the operational management will serve the Group's business interests more effectively through economies of scale and the concentration of information and expertise.

The Remuneration Policy shall be put on the agenda of the General Meeting in the event of significant changes to the Remuneration Policy, but at least every four years.

### II. The personal scope of the Remuneration Policy

- Members of the Supervisory Board,
- Members of the Board of Directors,
- employees holding the position of CEO and Deputy CEO.

### III. Elements of the Remuneration System

The remuneration elements are presented according to the legal relationships defined in Clause II, irrespective of whether the employee holds a position on the Board of Directors or the Supervisory Board in addition to the position in question.

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



- The Board of Directors is the executive body of 4iG Nyrt. and is responsible for making all decisions necessary for the management of the Company that do not fall within the exclusive competence of the General Meeting or any other corporate body by law or the Articles of Association.
- The remuneration of the members of the Board of Directors consists of a fixed honorarium. The amount of the honorarium is proposed by the Nomination and Remuneration Committee.
- The member of the Board of Directors is entitled to the remuneration for the duration of the mandate, irrespective of the reason for termination of mandate.
- Approval and amendment of the remuneration of the members of the Board of Directors of 4iG Nyrt. is the sole responsibility of the General Meeting.

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

- The Supervisory Board of the Company supervises the operation of the Board of Directors, the implementation of the law, the execution of the resolutions and decisions adopted by the General Meeting and the business activities of the Company.
- The remuneration of the members of the Supervisory Board consists of a fixed honorarium and no other performance-related remuneration. The amount of the remuneration is proposed by the Nomination and Remuneration Committee.
- The member of the Supervisory Board is entitled to the remuneration for the duration of the mandate, irrespective of the reason for the termination of the mandate.
- Approval and amendment of the remuneration of the members of the Supervisory Board of 4iG Nyrt. is the sole responsibility of the General Meeting.

## **3. Remuneration of CEO and Deputy CEO posts**

### **3.1 Annual basic salary**

The annual amount of the basic monthly salary fixed in the employment contract.

### **3.2 Annual incentive, premium**

Annual incentives and premium may be paid in an amount determined on the basis of company and individual performance of the employees concerned.

### **3.3 Ad hoc bonus.**

An ad hoc bonus may be determined to recognise performance that makes an outstanding contribution to the achievement of the company's objectives as set out in the Remuneration Policy.

### **3.4 Other benefits**

The other elements of benefits are designed taking into account considerations of cost-effectiveness. Under this scheme, employees are entitled to a gross fringe benefit package based on individual choice, as defined in the Cafeteria Rules.

Employees are entitled to the use of company cars for business and private purposes in connection with their work, as well as to the costs related to the use of the car, in accordance with the company's Fleet Management Regulations.

Employees are entitled to personal insurance and health benefits as defined by the company.



Employees are entitled to use the telecommunications service provided by the company for business and private purposes; to participate in training courses and conferences in connection with their work.

They are entitled to reimbursement of expenses for travel, accommodation, meals and other allowances legitimately incurred in the performance of their duties on behalf of the Company.

Other benefits represent a maximum of 10% of the total remuneration of the employees concerned.

### **3.5 Elements of a contract of employment**

In particular, the senior positions within the personal scope of the Remuneration Policy in an employment legal relationship, within the meaning of Section 208 (1) of the Labour Code, are the following:

- CEO
- Group Deputy CEO for Finance
- General and Transformational Group Deputy CEO for Operation
- Deputy CEO for Telecommunications Strategy
- Deputy CEO of IT

There is an employment contract of indefinite term between the employees occupying the positions and the Company.

The notice period applicable to employees' employment contracts is governed by the relevant provisions of the Labour Code.

In the event of the termination of employment, in addition to the period of notice and severance pay provided for in the Labour Code, they are entitled to specific allowances in the cases specified in the employment contract, not exceeding in total 12 months' absence pay.

During the period of dismissal/notice linked to the termination of employment, the employee may use the company car in accordance with the Fleet Management Regulations and the terms of his/her employment contract and is entitled to reimbursement of expenses related to the use of the company car.

## **4. Long-term incentive scheme**

4.1 In 2021, the Company decided to launch a new remuneration programme within the existing ESOP organisation (the "New Remuneration Programme 1") along the following general principles:

- (i) Financial instrument to be awarded under the New Remuneration Programme 1: 4iG ordinary shares will be awarded directly under the New Remuneration Programme as follows. ESOP has executed capital increase in the Company by issuing new ordinary shares in a private placement, with the necessary financial backing being provided by the Company to ESOP as founder's cash contribution. ESOP was appointed to receive the new 4iG ordinary shares.



- (ii) Participants in the New Remuneration Programme 1: the New Remuneration Programme is open to senior executives (i.e. members of the Board of Directors, CEO and Deputy CEOs) belonging to the 4iG Group.
- (iii) Conditions for receiving a financial instrument under the New Remuneration Programme 1: a financial instrument under the New Remuneration Programme may be granted to participants if the following conditions are met collectively:
  - the fulfilment of key performance indicators (KPIs): KPIs are determined on the basis of the group's consolidated earnings per share
  - payment of a consideration for the share equal to the subscription price at the time of the capital increase (which is the average price of the share as quoted on the Budapest Stock Exchange during the 180-day period preceding the decision to increase the share capital)
  - employment status at the time of payment (or good leaver position).

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

The Company's dynamic growth, and therefore the interest of the Company as a whole, is to encourage management to successfully conclude future transactions that will enhance the profitability of the Company and its subsidiaries as a whole, i.e. consolidated EBITDA and thus earnings per share/shareholder (consolidated EPS). Considering all aspects (legal, tax, regulatory), the Company will be able to achieve its objective of encouraging management in the most favourable way through the existing ESOP organisation, under a New Remuneration Programme 1 based on a new remuneration policy.

It can be argued that the New Remuneration Programme 1 will not lead to a reduction in the rights/expectations of individual shareholders and/or a tangible dilution of their shareholding, as the linking of share acquisition in the New Remuneration Programme to increasing consolidated earnings per share will also increase the EPS and potential dividend per shareholder.

The purpose of the New Remuneration Programme 1 and its differences from the existing remuneration programme are summarised below:

- (i) The New Remuneration Programme 1 is specifically designed to create and increase the interest of top management and thereby create shareholder value;
- (ii) Under the New Remuneration Programme 1, ordinary shares are awarded and not the consideration for the share option is paid to participants;
- (iii) Under the New Remuneration Programme 1, the benefit is not free, but is subject to payment of the subscription price at the time of the capital increase;
- (iv) The New Remuneration Programme is valid for a period of two (2) years, based on which the participants are entitled to access to financial instrument under the New Remuneration Programme 1 for a maximum period of two years from the date on which the conditions are met.



4.2 In 2023, the Company has decided to launch a new remuneration programme within the existing ESOP organisation (the “New Remuneration Programme 2”).

The purpose of the New Remuneration Programme 2 is to recognise and incentivise the performance of senior executives (i.e. certain Members of the Board of Directors, the CEO and Deputy CEO-s) and certain key employees of 4iG Group in achieving improvements in the Company's financial performance and to increase their commitment to the Company.

After a grace period of 24 months, participants with a membership interest in an MRP organisation (independent legal entity) may receive a predetermined level of benefit, subject to the achievement of a company performance improvement indicator and in proportion to the achievement of individual target tasks.

4.3 In 2024, the Company has decided to launch a a new remuneration programme within the existing ESOP organisation (the “New Remuneration Programme 3”) based on the model of New Remuneration Programme 2.

This New Remuneration Programme 3 also aims to recognise and incentivise the performance of senior executives (certain Members of the Board of Directors, the CEO and Deputy CEO-s) and certain key employees of 4iG Group in achieving improvements in the Company's financial performance, and to increase their commitment to the Company by allowing them to receive a predetermined level of benefits, also after a grace period of 24 months, upon achievement of a performance indicator demonstrating improvement in the Company's performance and in proportion to the achievement of individual target tasks.

The long-term incentive scheme for positions covered by the Remuneration Policy is as follows:

Name of the position	Annual basic salary - Long-term incentive rate*
CEO	(41%-59%)
Group Deputy CEO for Finance	(54%-46%)
General and Transformational Group Deputy CEO for Operation	(50%-50%)
Deputy CEO for Telecommunications Strategy	(65%-35%)
Deputy CEO of IT	(65%-35%)

\*On the date of adoption of the Remuneration Policy

#### IV. Final provisions

The Remuneration Policy has been designed in line with the Company’s business strategy, long-term objectives and sustainability ambitions. The policy is clear and understandable, contains conflict of interest provisions and includes all mandatory elements as required by Sections 16-18 of the SRD Act.



The General Meeting of the Company decides on the amendment, supplementation or revocation of the Remuneration Policy in all cases, unless the obligation to provide remuneration rules ceases ex lege (as a matter of law).

The Remuneration Policy is submitted by the Board of Directors, with the approval of the Nomination and Remuneration Committee, to the General Meeting of the Company for an advisory vote.

Following the advisory vote at the General Meeting on the Remuneration Policy - or, in the event of a rejection of the Remuneration Policy, a re-vote - the Remuneration Policy shall be published on the Company's website without delay, together with the date and the result of the vote.

The Remuneration Policy is prepared by the Company's Human Resources department, in consultation with the relevant departments, and submitted to the Company's Board of Directors.

In the event that the General Meeting rejects the proposed Remuneration Policy, the Company shall submit the revised Remuneration Policy to the next General Meeting for a new advisory vote.

This Remuneration Policy shall enter into force on the date of its approval by the General Meeting of the Company. Pursuant to the provisions of Sections 16-18 of the SRD Act, this Remuneration Policy and any amendment thereto shall be subject to the authority of the General Meeting of the Company.

Dated: [\*] Budapest, 2024.