



**Corporate Governance Report and Declaration  
of  
4iG Plc.  
for the 2023 business year**

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

Compiled:

The Board of Directors of 4iG Plc.

Approved by:

The General Meeting of 4iG Plc.

Dated as of 29 April 2024 in Budapest



## Corporate Governance Report

The Corporate Governance Report and Declaration of **4iG Nyilvánosan Működő Részvénytársaság** (4iG Plc.) (registered seat: 1013 Budapest, Krisztina körút 39.; 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.<sup>1</sup>

The present Corporate Governance Report and Declaration of 4iG Plc. was approved by the resolution of the Board of Directors on 05 April 2024 and by the resolution of the Supervisory Board on 05 April 2024 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.

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

**1. A brief presentation of the operation of the Board of Directors, and the distribution of responsibilities and tasks between the Board of Directors and the management.**

The managing body of the Company is the Board of Directors. The members of the Board of Directors are executive officers of the Company and when acting in this capacity, no executive officer may be instructed by either the shareholders or the employees 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.

According to the Articles of Association of the Company, the Board of Directors shall consist of three to seven (3-7) members. The members of the Board of Directors are elected by the General Meeting for an indefinite term. In the financial year 2023, the Company was managed by a Board of Directors consisting of six (6) members.

The Board of Directors shall elect its Chairman from among its members (hereinafter: Chairman), and may establish and operate committees to increase its operational efficiency.

During the performance of its tasks and duties, the Board of Directors shall act as a body. The distribution of powers and responsibilities between the Board's members shall be established in the Rules of Procedure of the Board of Directors, adopted and approved by itself.

The division of powers and responsibilities between the General Meeting and the Board of Directors is set out in the Company's Articles of Association. In accordance with the provisions of the Articles of Association and the decisions of the General Meeting, the Board of Directors leads, directs, and operates the Company within the scope of authority specified for the Board of Directors.

The Board of Directors exercises its powers at Board meetings. 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 Board of Directors meets at least four (4) times a year on the basis of its annual work plan. The annual work plan shall be adopted by the Board of Directors at the last Board of Directors meeting preceding the year in question. The work plan shall include the dates of the meetings and the items on the agenda.

The invitation to meeting of the Board of directors 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.

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.

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.

Regarding the discussion of an unscheduled agenda item initiated by one Member of the Board of Directors, the Board of Directors shall be entitled to discuss such item and to make a resolution in relation with the hereof if the majority of the members give their consent to schedule the agenda item and to make a resolution on the subject in question.

The Members of the Board of Directors may also request the inclusion of additional items on the agenda, 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 venue of the meeting of the Board of Directors, unless otherwise decided unanimously, is the registered office of the Company.

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

The Members of the Board of Directors may invite to the meeting of the Board of Directors in particular the Chairperson of the Supervisory Board, the Chairperson of the Audit Committee, the Chief Executive Officer, the business manager(s), who shall have the right to participate in the meeting. The Chairperson of the Board of Directors decides on the invitation of additional persons and experts to Board of Directors meetings.

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. 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 shall contain all relevant information for the consideration of the matter.

The resolution of the Board of Directors – unless otherwise specified in the resolution – shall be construed effective from the day of the adopting meeting.

Written minutes shall be kept of the meetings of the Board of Directors. The minutes of the meeting shall be sent to all Members of the Board of Directors together with the invitation to the next meeting at the latest. 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.

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.

The matters falling within the competence of the Board of Directors are defined by the Articles of Association, and considering the provisions therein, the Board of Directors' Rules of Procedure, as well as the Company's Organizational and Operational Rules.

The Company's work organisation and operational activities are managed by the Chief Executive Officer, who is elected and appointed by the Board of Directors. Therefore the CEO has the authority to decide upon any matters that do not come under the authority of the General Meeting or Board of Directors in accordance with these Articles of Association. This division of tasks does not affect the statutory liability of the Board of Directors, or of the individual members of the Board of Directors. Therefore tasks are shared between the Board of Directors and the CEO in such a way that daily work of the Company is governed and overseen by the Chairman & CEO within the constraints of the law and the Company Articles of Association, and in accordance with the decisions of the General Meeting and Board of Directors.

Between January 1, 2023 and December 31, 2023, Péter Krisztián Fekete held the position of Chief Executive Officer of the Company.

- 2. An introduction of the Board of Directors, Supervisory Board and management members (for board members, also indicating each member's status of independence), a presentation of the boards structures.**

**2.1. The organisation and composition of the Board of Directors during the 2023 business year**

In the financial year 2023, i.e. from 1 January 2023 to 31 December 2023, the Company was managed by a Board of Directors consisting of six (6) members, as follows:

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

After graduating from the College of Public Administration, he acquired a broad range of experience in property development and investment. As the founder and majority owner of the SCD Group, he directed a leading property development, tourism and venture capital investment company of the CEE region for almost a decade. In 2011, he started to work as a consultant in the international capital market. In 2015, he became Chairman of the Board of Directors as well as minority owner of Konzum Plc. and also Managing Director of Konzum Management Ltd. After the restructuring and repositioning of the company, he directed the merger of Konzum Plc. and OPUS GLOBAL Plc. As of August 2018, he has been the President-CEO of 4iG Plc. Today his investment activity focuses solely on IT and the ICT market: after selling his previous interests, he became the main shareholder of the company in July 2020.

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

After graduating from the College of Modern Business Studies and Corvinus University of Budapest, he started his career at the General Value Turnover Bank (ÁÉB). In 2004, he joined the team of Raiffeisen Bank Ltd., where he worked as a branch director, then, from 2011, as a regional director. From 2012, he directed the property investment and property sales activity of KONZUM Management Ltd. In 2015, he became the Managing Director of KPRIA Hungary Ltd., in 2016, a member of the Board of Directors of KONZUM Plc., in 2017, a member of the Board of Directors and also the CEO of Konzum Investment Fund Management Plc. Since 2022, he has been the vice-chairman of 4iG Plc. and a member of the Board of Directors.

- **Béla Zsolt Tóth** (term of appointment: indefinite)

As an IT engineer, he has more than 25 years of professional and project experience in the IT market. He started his career within the group in 1995 at HUMANSOFT Ltd. He directed the professional businesses for more than a decade as a technical director, then from 2006 to 2010 he filled the role of managing director at the company. To date, he is a member of the Board of Directors of the 4iG Group and works with the Chairman as his consultant.

- **Péter Krisztián Fekete** (term of appointment: indefinite)

He graduated from Corvinus University in 2005. Additionally, he studied at HEC in Paris and also attended the MBA program at the University of North Carolina. He started his professional career in London, at CIBC World Markets, a Canadian investment bank. Afterwards, he worked for several renowned international investment banks such as UBS Investment Bank, Jefferies International and Houlihan Lockey, where he acquired significant experience in acquisition and corporate finance. He joined Konzum Plc. as Deputy CEO in

September 2017. He has been working for 4iG Plc. since July 2019, initially as presidential consultant, and the, since summer 2022, as CEO and a member of the Board of Directors.

- **László Blénessy** (term of appointment: indefinite)

He graduated as a technical IT specialist from the University of Pécs. In 1997, he joined Daten-Kontor Ltd., a forerunner of today's T-Systems Hungary, where he filled several leading roles before becoming the company's managing director and co-owner. In 2011, Daten-Kontor became a subsidiary of the Magyar Telekom Group, where he kept his role as Managing Director. In the following years he directed the corporate application development business of IQSYS Ltd. as well as Daten-Kontor jointly. From 2018, he worked with the CEO of INNObyte Ltd. as his consultant. In 2020, he acquired a majority share in the company, and he was responsible for the management of commercial and production processes as well as for strategy, innovation and business development. In 2020, the majority block of shares was acquired by 4iG, following which he was elected as a member of the Board of Directors of the capital market company. In recent years, László Blénessy has played an active role in the operational management of the corporate group. Following the acquisition of Vodafone Hungary, he served as the interim CEO of the company. From April 2022, he also undertook the role of CEO at Antenna Hungária for nearly a year. Until March 2024, he held the position of Deputy CEO responsible for technology within the 4iG Group.

- **Pedro Vargas Santos David** (term of appointment: indefinite)

Pedro Vargas Santos David received his degree in Economics from Universidade Nova de Lisboa in 2006, but also holds a master's degree in business administration from the university of INSEAD. Furthermore, he also studied at Harvard University receiving two degrees in different fields and is currently a PhD candidate in Political Science at the University of Católica Portuguesa. He started his career at McKinsey & Company as a management consultant in 2006 and has held numerous responsibilities throughout the years in many various market leading companies in Portugal, such as Jeronimo Martins Group and PB Colombia, in which he assumed the position of CEO. Currently he is the CEO and Managing Partner of Alpac Capital as of 2013. He is also an Adjunct Professor of Nova School of Business and Economics.

## **2.2. The organisation and composition of the Supervisory Board during the 2023 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.

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

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.

The composition of the Supervisory Board between **1 January 2023 and 28 April 2023**

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

The composition of the Supervisory Board between **28 April 2023 and 31 December 2023**

- **Tamás László Fellegi** (chairman; term of appointment: indefinite);
- **Ildikó Tóthné dr. Rózsa** (term of appointment: indefinite);
- **Dagmar Steinert** (term of appointment: indefinite);
- **Gergely Böszörményi-Nagy** (term of appointment: indefinite).

### **2.3. The organisation and composition of the Audit Committee during the 2023 business year**

The Audit Committee is elected by the General Meeting from among the independent members of the Supervisory Board, and as such the rules applicable to the members of the Supervisory Board shall apply to the members of the Audit Committee with regard to their membership of the Supervisory Board.

The composition of the Audit Committee between **1 January 2023 and 28 April 2023**

- **Tamás Fellegi László** (chairman; term of appointment: indefinite);
- **Ildikó Tóthné dr. Rózsa** (term of appointment: indefinite);

- **Dénes Jobbágy** (term of appointment: indefinite);

The composition of the Audit Committee between **28 April 2023 and 31 December 2023**

- **Tamás László Fellegi** (chairman; term of appointment: indefinite);
- **Ildikó Tóthné dr. Rózsa** (term of appointment: indefinite);
- **Gergely Böszörményi-Nagy** (term of appointment: indefinite).

#### **2.4. The composition of the Management during the 2023 business year**

- **Péter Krisztián Fekete** - Group Chief Executive Officer (See section 2.1 for a presentation)

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.

- **László Blénessy** - General Deputy GCEO for Business until 12. September 2023, then General Deputy GCEO for Technology and network (See section 2.1 for a presentation)

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.

The General Deputy GCEO for Technology and network manages the business and internal IT activities of 4iG Group on a professional basis, including the development, harmonisation and operation of the network infrastructure, the broadcasting activities and the development of the space and defence business, and is responsible for the development and implementation of the strategy in these areas.

- **Gábor Tomcsányi** - General Deputy GCEO for Operation

In 1997, after graduating from the Budapest University of Economics and Business Administration and the French ESSCA, he started his career as Head of Department at CIB Bank's Project and Structured Finance Department. In 2001, he became Director of Financing and later CEO of SCD Group, which has become one of the leading real estate development, tourism, and venture capital investment companies in Central and Eastern Europe. He then worked as a capital markets consultant and helped to realise a few real

estate investments and developments in Hungary as co-owner of Hillside International. Since 2018, he has been CEO of Appennin Plc, the largest real estate investment and asset management listed company on BSE. At the same time, he was the CEO of 4iG Plc. At the same time, he was appointed Chairman of the Supervisory Board of 4iG Group and was appointed CEO advisor to the company. Since 1 September 2022, he has overseen the operational and support areas of the 4iG Group as Deputy Chief Operating Officer of the Group. At Group level, he leads corporate governance, communications, HR, safety, quality management, investment, and property management, legal and procurement.

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 and coordination of functional areas at Group level through Group-level departments.

- **Csaba Ferenc Thurzó** – General Deputy GCEO for Finance

He holds a BSc degree in Business and Economics from the Budapest Business School and a complementary degree in legal studies from the Eötvös Loránd University. He started his professional career as a portfolio manager at Forrás Vagyonkezelési és Befektetési Inc., then he was the Chief Investment and Shareholder and Press Relations Officer between 2003 and 2004. In 2005, he joined Magyar Posta Ltd., where he became Chief Controlling Officer in 2011 and then he was Deputy CEO for Finance between 2017 and 2018. In September 2018, he became Deputy CEO for Finance and Operations at 4iG Plc. He has more than 18 years of leadership experience. In 2016, the Budapest Business School recognised his professional achievements with a silver ring. At the 2020 Budapest Economic Forum, he was recognised as one of the best financial managers in Hungary and received the CFO Master 2020 award.

The General Deputy GCEO for Finance 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 Member Companies. 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.

Information on the composition and operation of the other committees of the company is provided in section 5. of the report.

### 3. Specifying the number of meetings which the Board of Directors, Supervisory Board and committees held in the given period, completed with attendance rates.

#### 3.1. Meetings of the Board of Directors held during the period under review

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.

During the period under review, in the 2023 business year, the Board of Directors did not meet in person. The Board of Directors passed resolutions by electronic voting without holding a meeting another twenty-five (25) times, of which all board members cast their votes during sixteen (16) decision-making, while five (5) members cast their votes during nine (9) decision-making, as such, all voting of the Board of Directors had a quorum.

### **3.2. Supervisory Board meetings held during the period under review**

During the period under review, in the 2023 business year, the Supervisory Board met three (3) occasions in person and passed resolutions by electronic voting without holding a meeting another three (3) times. 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.

### **3.3. Meetings of the Audit Committee held during the period under review**

During the period under review, in the 2023 business year, the Audit Committee met two (2) occasions 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.

### **3.4. 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 one (1) time, during which all members cast their vote.

## **4. A presentation of the work done by the Board of Directors, the Supervisory Board and the management as well as the considerations for assessing their individual members. Specifying if the assessment carried out in the given period resulted in any changes.**

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 Policy adopted by the General Meeting of the Company.

The evaluation carried out during the period did not lead to any changes in the composition of the Board of Directors and the members of the management.

## **5. A report on the operation of each committee**

### **5.1. The Supervisory Board**

The members of the Supervisory Board are presented in section 2.2., while information on the number of Supervisory Board meetings held and the attendance rate is provided in section 3.2. of the report.

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. 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 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.

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.

### **5.2. The Audit Committee**

The members of the Audit Committee are presented in section 2.3., while information on the number of Audit Committee meetings held and the attendance rate is provided in section 3.3. of the report.

As a general rule, the members of the Audit Committee shall meet whenever there is a need to discuss any matter falling within the Audit Committee's remit. If it is not necessary to discuss a particular matter in person, or if the Audit Committee members can conduct the discussion without difficulty by electronic means, meetings may be held by electronic means or by written vote.

The Audit Committee's duties and powers include in particular commenting on the annual report, proposing the identity and remuneration of 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.

During the period under review, the Board of Directors did not decide against the Committee's proposal.

### **5.3. The Nomination and Remuneration Committee**

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.

The Nomination and Remuneration Committee set up by the Board of Directors performed 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.

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

- **Gellért Zoltán Jászai** (chairman; term of appointment: until 28 March 2029)
- **Aladin Ádám Linczényi** (term of appointment: until 28 March 2029)
- **Béla Zsolt Tóth** (term of appointment: until 28 March 2029)

### **5.4. Economic Committee**

The Economic Committee is an advisory and opinion-forming body to the Group Chief Executive Officer.

Members of the Economic Committee:

- **Aladin Ádám Linczényi**, Vice-chairman;
- **Péter Krisztián Fekete**, GCEO
- **Csaba Ferenc Thurzó**, General Deputy GCEO for Finance (Chairman)
- **Gábor Tomcsányi**, General Deputy GCEO for Operation

The main duties of the Economic Committee is to monitor the Company's liquidity position, financial and operational risks, and the methodology and strategy for managing them, review all published financial statements, financial reports and annual audit results before they are published.

### **5.5. 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.

Members of the Sustainability Committee:

- Group Head of Corporate Governance and Operational Development,
- Group Head for Investor Relations and Capital Markets,
- Group Head for Corporate Affairs and Communication,
- Group Head of HR,
- Group Head of Quality Management and Internal Regulatory,
- Head of Group Compliance.

Key objectives and tasks of the Sustainability Committee:

- Ensuring that long-term economic, environmental and social considerations are integrated into the daily operations of the 4iG Group,
- Supervising all sustainability-related ("non-financial") risks, policies, strategies and systems,
- Auditing public sustainability reports in line with international standards,
- Regularly reviewing, evaluating and commenting on all sustainable development proposals to the Board of Directors,
- Requesting information from the management of each division on environmental, social and long-term economic risks and opportunities and discussing related mitigation and development actions,
- Supporting the continuous improvement of the 4iG Group's ESG scoring.

### **5.6. Ethics Committee**

The Company has an Ethics Committee, elected by the Board of Directors, as a special committee. The members, tasks, powers and functioning of the Ethics Committee are set out in the Rules of Procedure of the Ethics Committee.

## **6. A description of the system of internal controls**

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 Company's system of internal controls is structured as follows:

- Ethics organizational system
- Organisational units and employees with specific duties
  - Group Compliance
  - Group Internal Audit

### **6.1. Ethics organizational system**

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 behaviour. 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.

### **6.2. Group Compliance**

As an integral part of the internal controls system, the Company operates a Group-level compliance, data protection (GDPR) and information security 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.

### **6.3. 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.

The tasks of the Group Internal Auditor includes:

- 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,
- Reporting to the Supervisory Board, the Group Chief Executive Officer and the Board of Directors.

#### **6.4. 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 continuously monitor the changes and risk factors that have arisen compared to the plans, and the Deputy CEO for Business reports. 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.

The Company has specific internal procedures and policies to manage risks and ensure business continuity. Risk management policies and systems are reviewed periodically in order to reflect the changed market conditions and the Group's current and proposed activities.

#### **7. Information on whether the auditor performed any activities not related to auditing.**

The task of the auditor designated by the General Meeting of the Company is to perform audit included in the Act on Accounting, and in the course of the thereof, above all, to determine whether the report of the Company compiled in line with the Act on Accounting is in compliance with the legal regulations, moreover it gives a reliable and real view on the business and financial status, its operational results of the Company.

The permanent auditor - in order to fulfil its mission - 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 of the Company is elected by the General Meeting for a maximum period of five (5) years. The Company designated its new auditor, **Interauditor Consulting Ltd.** on 28 April 2023 for a fixed term, until 30 April 2024.

With regard to 2023, the appointed auditor of the Company did not perform any activities which is not related to the audit.

## **8. An overview of the Company's publication policy and its insider trading policy.**

### **8.1. The Company's Disclosure Principles**

With regard to disclosure, the Company acts in accordance with the stock exchange rules and the laws in force, and its internal rules 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 at the publication places specified by law 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.

Through the Group Head of Investor Relations and Capital Markets, the Company is in constant contact with investors and provides availability to answer investors' questions.

### **8.2. The Company's insider trading policies**

The Company maintains an independent regulation in relation to the trading of insiders. The internal regulator of the Company shall define the scope of the persons having access to the information, thereby ensuring the confidential nature of the information. The Company shall investigate the circumstance, in respect of each item of information possibly dispatched, that, pursuant to the governing legal regulations, the person getting to know the information whether is entitled to get to know the information or not. In matters related to insider trading, the Company always acts in accordance with the applicable legislation and stock exchange rules in force. The Company shall keep records on the inside persons, and pay attention of the persons involved, in particular, to the commitments included in the legal regulations and stock exchange rules.

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.

## 9. An overview of the method of exercising shareholder rights

Between 1 January 2023 and 31 December 2023, 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 shareholder is entitled to exercise shareholder's rights by, in line with the legal regulations, possessing the depositary and ownership receipt, and following the registration into the share register.

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.

## 10. A brief presentation of the rules for 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](http://www.4ig.hu)) and on the BSE website ([www.bet.hu](http://www.bet.hu)).

#### **11. Presentation of the issuer’s compliance with Section IV. of Act 67 of 2019 on the incentivisation of long-term shareholder participation and harmonization of particular other acts.**

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 28, 2023 adopted the remuneration policy of the Company<sup>2</sup> - 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. 17/2023. (IV.28).

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 2023 business year are contained in the Company's remuneration report.

Dated as of 29<sup>th</sup> April 2024 in Budapest

4iG Plc.



**Corporate Governance Declaration  
in 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 2023 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: -

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: -

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: -

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.

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, 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 2023 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: -**

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: -

29<sup>th</sup> April 2024, Budapest

4iG Plc. Board of Directors