



**Corporate Governance Report and Declaration  
of  
4iG Plc.  
for the 2020 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 [\*]<sup>th</sup> April 2021 in Budapest



The Corporate Governance Report and Declaration of 4iG Nyilvánosan Működő Részvénytársaság (4iG Plc.) (registered seat: 1037 Budapest, Montevideo utca 8.; company registration number: 01-10-044993; hereinafter referred to as: the Company) was prepared in line with the Corporate Governance Recommendations adopted and published by Budapest Stock Exchange Zrt. (hereinafter referred to as: BSE) upon 8 December 2020, effective as of 1 January 2021.<sup>1</sup> The present Corporate Governance Report and Declaration of 4iG Plc. was approved by the Board of Directors on 19 April 2021, by the joint meeting of the Supervisory Board and the Audit Committee held on 21 April 2021, 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>



## Corporate Governance Report

### 1. Description of the governing bodies of the Company

#### 1.1 The Board of Directors

##### 1.1.1 The organisation of the Board of Directors during the 2020 business year

###### **The composition of the Board of Directors between 1 January 2020 and 25 November 2020**

Since the beginning of the year, the Company had been managed by a Board of Directors consisting of five (5) members, who were:

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

Linczésyi Aladin Ádám (term of appointment: indefinite)

Tóth Béla Zsolt (term of appointment: indefinite)

Zibriczki Béla (term of appointment: indefinite)

Simon Zoltán (term of appointment: indefinite)

###### **The composition of the Board of Directors between 25 November 2020 and 31 December 2020**

Simon Zoltán and Zibriczki Béla, the members of the Board of Directors, resigned from their Board of Directors memberships with immediate effect by a resignation statement addressed to the Board of Directors dated as of 03 November 2020. The Company elected Fekete Péter Krisztián and Blénessy László as a new members of the Board of Directors at its Extraordinary General Meeting held on 25 November 2020, so the Board of Directors consisted of the following five (5) members:

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

Linczésyi Aladin Ádám (term of appointment: indefinite)

Tóth Béla Zsolt (term of appointment: indefinite)

Fekete Péter Krisztián (term of appointment: indefinite)

Blénessy László (term of appointment: indefinite)

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

##### 1.1.2 Operation of the Board of Directors

###### 1.1.2.1 Convening and preparing the meetings of the Board of Directors

A meeting of the Board of Directors may be convened by the President of the Board of Directors or any member of the Board of Directors. Invitations and submissions to each meeting shall be sent to the Members in writing (by postmail or e-mail) one (1) working day prior to the meeting. If the submission contains insider information, the submission can only be sent in a password-protected way.



The invitation shall hereby state the time and date, and place of the meeting, and shall be accompanied by the agenda and submissions. The members of the Board of Directors may also request the inclusion of additional agenda items, and a written proposal to this effect may be made no later than one (1) working day prior to the date of the meeting of the Board of Directors. The Members of the Board of Directors may invite the President of the Supervisory Board and the Audit Committee of the Company, the Chief Executive Officer and the company managers to the meeting of the Board of Directors, who shall participate in the meeting with the right of deliberation. The President of the Board of Directors decides on the invitation of other persons and experts to the meeting of the Board of Directors.

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

The meetings of the Board of Directors may also be held by telephone conference. 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. In this case, the President shall send the motion by a clear request and state the deadline for receipt by which the members of the Board of Directors must clearly announce their vote in writing (by letter, fax or e-mail).

#### **1.1.2.2 Order of the meetings of the Board of Directors**

The meeting of the Board of Directors is chaired by the President of the Board of Directors or, in case of his or her impediment, by a member of the Board of Directors elected by the members of the Board of Directors as the presiding chair.

#### **1.1.2.3 Decision-making**

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

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

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

#### **1.1.2.4 Minutes**



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

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

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

The documents must be stored in the following places:

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

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

The Board of Directors is responsible for:

- Approval of the annual and 3-year plans of the Company and the majority-owned companies of the Company;
- Convening the General Meetings of the Company, except for those cases specified in the Civil Code, when the Supervisory Board or the Company Registry Court of Regional Court or the shareholders are entitled to convene the General Meeting due to the reasons specified by law;
- Preparing, adopting and submitting to the General Meeting a proposal on matters within the competence of the General Meeting;
- Preparing a report on the management, financial position and business policy of the Company and submitting it to the General Meeting;
- Making a decision to take out a loan, undertake guarantee or other financial obligation other than normal financial activity;
- Making a decision on the acquisition of ownership (ownership share) in a business company, on any investment or on the sale of assets from the Company;
- Making a decision on the sale of the Company's ownership (ownership share) in any other company, including the purchase or sale of patents, trademarks and licenses;
- the appointment of the members of the Nomination and Remuneration Committee;
- Election of the CEO, determination of his powers, employment contract and salary (exercising the employer's right). The CEO enters into an employment contract with the Company, which is signed by the President of the Board of Directors. If the President of the Board of Directors also holds the position of the CEO of the Company, the employment contract of the President and CEO shall be signed jointly by the other two members of the Board of Directors entitled to sign;
- Definition of the employment contract and job responsibilities of the company manager (exercising the employer's right). The company manager concludes an employment contract with the Company, which is signed by the President of the Board of Directors;
- Approval of the Company's Organizational and Operational Regulations ('OOR');
- The distribution of the supervision of the Company's activities between the members of the Board of Directors and the company manager,
- The Board of Directors is entitled to increase the share capital within the framework specified in Article 8 of the Articles of Association;

- In the case of an increase in the share capital within the competence of the Board of Directors, the Board of Directors is entitled and obliged to amend the Articles of Association;
- With the prior consent of the Supervisory Board, the Board of Directors may decide to pay a dividend advance within the relevant legal framework, and is entitled to accept balance sheet in relation to the acquisition of the Company's own shares, the payment of interim dividend and the increase of the registered capital from the Company's assets not comprising a part of the registered capital;
- Based on the authorization of the General Meeting, the Board of Directors is entitled to decide on the exclusion of exercising subscription priority right;
- The Board of Directors may establish and operate committees to increase its operational efficiency;
- The Board of Directors is entitled to decide on matters concerning the Company's name, registered office, establishments, branches and areas of activity (excluding the core activity) and related amendments to the Articles of Association;
- The Board of Directors is entitled to make all other decisions and declarations necessary for the establishment, maintenance and operation of the Organization ("ESOP Organization") within the framework of the Employee Stock Ownership Program ("ESOP"). The authorization shall cover, in particular, but not be limited to the launch of the Programs on which the ESOP Organization is based, the definition of its beneficiaries and the number of shares that may be acquired under the Programs and the extend and number of rights attached to the ordinary shares, and the conditions for their acquisition;
- The Board of Directors is entitled to appoint employees of the Company entitled to sign;
- In the event of such authorization by the General Meeting, the Board of Directors may, with the prior consent of the Supervisory Board, decide to increase the share capital or to approve the interim balance sheet in connection with the increase of the share capital at the expense of the share capital;
- There is no need for prior authorization given by the General Meeting to the Board of Directors to acquire own shares if the acquisition of the shares is made in order to avoid serious damage directly threatening the Company. In this case, the Board of Directors is obliged to provide information on the reason for the acquisition of own shares, the number and total nominal value of the acquired shares, the ratio of these shares to the share capital of the Company and the consideration paid;
- The Board of Directors decides on the establishment of the Advisory Board and on the approval of the rules of operation established by the Advisory Board.
- The Board of Directors decides on the approval of its annual work plan.

The Board of Directors is entitled or obliged to make all decisions that do not fall within the authority of the General Meeting, the Supervisory Board or the Audit Committee as defined by law, the Articles of Association or the resolution of the General Meeting.

The list of the scope of the tasks and authority of the CEO is contained in Section 1.3 of this Corporate Governance Report.

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

The members of the Board of Directors are obliged to manage the Company on the basis of the priority of the interests of the Company.

In the course of their management activities, the members of the Board of Directors are liable to the Company for the damage caused to the Company in accordance with the rules on liability for damage caused by breach of contract contained in the Act on Civil Code, thus by the culpable violation of the law, the Articles of Association, the resolutions of the General Meeting and management obligations. However, the Company shall be liable for any damage caused to a third party by a member of the Board of Directors acting in this capacity.



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

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

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

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

#### **1.1.5 Duties and powers of President of the Board of Directors**

Duties of the President of the Board of Directors:

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

#### **1.1.6 Meetings of the Board of Directors held during the period under review**

During the period under review, in the 2020 business year, subject to a pandemic situation caused by the Covi-19 is formed<sup>2</sup>, the Board of Directors met three (3) times in person and passed a resolution by electronic voting without holding a meeting another thirteen (13) times. All meetings of the Board of Directors had a quorum, in personal meetings, all members appeared, while in electronic votes, all members cast their votes, except in cases where a member did not vote due to personal involvement.

### **1.2 The CEO**

In 2020, the position of the CEO of the Company was held by Jászai Gellért Zoltán.

Powers and duties of the CEO:

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<sup>2</sup> Pandemic Covid19 is a pandemic caused by the SARS-CoV-2 virus and called Covid19. The epidemic was declared a pandemic by the World Health Organization (WHO) on 11 March 2020.



- The CEO manages the work organization and operational activities of the Company. The CEO handles matters within the framework of the legislation, the Articles of Association, the Rules of Procedure of the Board of Directors, the Company's Organizational and Operational Regulations, the General Meeting and the resolutions of the Board of Directors with individual responsibility.
- The CEO has the right to decide on all matters which do not fall within the authority of the General Meeting or the Board of Directors or which have not been assumed by the Board of Directors.
- - The CEO is entitled to represent the Company against third parties and before authorities, state and public administration bodies and international organizations.
- The CEO ensures and controls the implementation of the resolutions and decisions made by the General Meeting and the Board of Directors, and manages the performance of the tasks falling within the scope of the Company's activities.
- - The CEO is responsible for the preparation of the Company's short-, medium-term strategic, economic, financial and business plans and for ensuring their implementation.
- The CEO ensures the preparation of the annual report of the Company and its submission to the Board of Directors.
- The CEO is responsible for the administrative and co-ordinating activities related to the preparation of decision-making materials in connection with the tasks of the Board of Directors, as well as for coordinating the administrative tasks related to the activities of the Board of Directors.
- The CEO is responsible for preparing the decisions necessary for the exercise of ownership rights in relation to subsidiaries (submission of annual plans to the Board of Directors, implementation of the decisions of the Board of Directors related to plans), as well as for organizing and controlling reporting obligations (BSE, HFSA).
- The CEO is responsible for organizing the preparation of the meetings of the Board of Directors, as well as ensuring the preparation of all proposals on which the Board of Directors is entitled to decide.
- The CEO exercises the fundamental employer's rights over the organizational units and employees of the Company that are under the direct control of the CEO, as well as over the Deputy CEOs, in the event of the CEO being prevented, the Deputy CEO shall exercise the fundamental employer's rights.
- Within the framework of the Company's Organizational and Operational Regulations approved by the Board of Directors, the CEO is entitled to make decisions regarding the establishment and further development of the Company's work organization, in such a way that it is suitable for the implementation of legal obligations and the Company's strategic goals. In this context, the CEO is responsible for ensuring the personal and material conditions necessary for the operation of the work organization, as well as the smooth co-operation of the organizational units.
- The CEO is obliged to coordinate the activities of the heads of the organizational units under his / her direct supervision, taking into account the personal and material conditions available to the Company, in order to implement the Company's strategy and annual business plan through the proper operation of the work organization.



- The CEO is responsible for regulating the basic tasks affecting the operation of the Company and for providing on rights and obligations relating to personnel, for the implementation of the processes and tasks affecting the Company as a whole by issuing regulators, as well as for the presentation of informative information concerning the work organization in a circular.
- The CEO is entitled to establish, convene and chair the opinion-making and decision-making meetings of the Company, the management meeting and narrow or extended management meetings.
- The CEO is responsible for reporting to the heads of the organizational units.
- The CEO is entitled to establish projects and working groups to perform specific tasks.
- The CEO ensures that all employees of the Company comply with the provisions of legal regulations, as well as the provisions and regulations contained in the Articles of Association, the Company's Organizational and Operational Regulations and other internal regulations, procedures and instructions of the Company.

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

The Board of Directors 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.

### **1.4 The Nomination and Remuneration Committee**

#### **1.4.1 Setting up the Nomination and Remuneration Committee**

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

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

#### **1.4.2 The organisation of the Nomination and Remuneration Committee during the 2020 business year**

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

#### **The composition of the Nomination and Remuneration Committee between 1 January 2020 and 31 December 2020**

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



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

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

During the period under review, the Nomination and Remuneration Committee met twice (2) with the full participation of its members.

## **2. Control of the Company**

### **2.1 The Supervisory Board**

#### **2.1.1 The organisation of the Supervisory Board during the 2020 business year**

##### **The composition of the Supervisory Board between 1 January 2020 and 25 November 2020**

During the period under review, the Supervisory Board was constituted by four (4) members, namely:

Tomcsányi Gábor (Chairman; term of appointment: indefinite)

Ódorné Angyal Zsuzsanna (term of appointment: indefinite)

Tima János (term of appointment: indefinite)

Kunosi András (term of appointment: indefinite)

##### **The composition of the Supervisory Board between 25 November 2020 and 31 December 2020**

Tomcsányi Gábor, the Chairman of the Supervisory Board and Ódorné Angyal Zsuzsanna and Tima János, the members of the Supervisory Board, resigned from their position in the Supervisory Board with effect from 25 November 2020 (with their statement included in a separate document). At the Extraordinary General Meeting of the Company held on 25 November 2020, it was decided to elect Simon Zoltán and Büdyné dr. Rózsa Ildikó as members of the Supervisory Board. At its Extraordinary General Meeting held on 25 November 2020, the Company elected the new members of the Supervisory Board, which thus consisted of the following three (3) members:

Simon Zoltán (chairman; term of appointment: indefinite)

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

Kunosi András (term of appointment: indefinite)

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, appoints the recorder of the minutes, orders the voting and determines the result. A meeting of the Supervisory Board may be convened by any of its members, stating the reason and purpose, if the Chairman fails to comply with the request within eight (8) days.

#### **2.1.2 Tasks of the Supervisory Board**

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

The tasks and obligations of the Supervisory Board are:

- to monitor the implementation of legislation, as well as resolutions and decisions adopted by the General Meeting;
- to control the business management of the Company, the efficiency of the business management and the correctness of the administration of the Company;
- to examine all relevant business policy reports on the agenda of the meeting of the supreme body of the Company and all submissions that relate to matters within the exclusive competence of the General Meeting;
- to convene the General Meeting and propose the agenda of the General Meeting if, in its opinion, the activities of the Board of Directors are in conflict with the law, the Articles of Association, the resolution of the General Meeting or violate the interests of the Company or shareholders;
- to keep regular contact with the selected auditor;
- to make a proposal to the General Meeting on the person and remuneration of the auditor to be elected, on the basis of the prior consent of the Board of Directors;
- to develop recommendations and proposals initiated on the basis of the findings of the internal audit and its own experience;
- to perform all other tasks that are referred to the competence of the Supervisory Board by law or the Articles of Association.

The Annual General Meeting may decide on the annual report on the management of the Company and the use of the profit after tax only in the possession of the written report of the Supervisory Board. The General Meeting may decide on the payment of dividends at the same time as approving the report, on the basis of the proposal of the Board of Directors approved in advance by the Supervisory Board. The approval of the Supervisory Board is also required for the submission of the Corporate Governance Report at the same time as the approval of the report.

The prior consent of the Supervisory Board is required for the conclusion of a contract that the Company enters into with a registered shareholder who holds 10% of the share capital and has a voting right, or his close relative.

The Supervisory Board shall prepare written reports on the issues within its competence to the General Meeting within the deadline in accordance with the relevant legal regulations, but at least fifteen (15) days before the date of the General Meeting.

In the course of performing its duties, the Supervisory Board may request information from executive officers and senior employees, and examine the books and records of the Company, if necessary, with the involvement of experts. The members of the Supervisory Board are entitled to participate in the General Meeting with the right of consultation.

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

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

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

In view of the fact that the Company is a listed joint stock company, its operation is governed by the provisions of the Act of CXX of 2001 on Capital Market (hereinafter referred to as Capital Market Act); the members of the Supervisory Board shall carry out their activities in compliance with the provisions of the Capital Market Act, – in particular to fulfil any potential reporting obligation of the members of the Supervisory Board as insiders to the Hungarian National Bank



under the provisions of the Capital Market Act and of the Regulation (Eu) No 596/2014 of the European Parliament And of the Council (16 April 2014) on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

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

The members of the Supervisory Board are obliged to keep the business secrets of the Company.

#### **2.1.4 Supervisory Board meetings held during the period under review**

During the period under review, the Supervisory Board did not meet with regard to the pandemic situation caused by COVID-19. During the period under review, the Supervisory Board made its decisions by written vote.

During 2020, the Supervisory Board decided on the following issues: annual report, annual business report, consolidated report, proposal on dividend payment, approval of other proposals of the General Meeting, amendment of the Articles of Association.

## **2.2 The Audit Committee**

### **2.2.1 The organisation of the Audit Committee during the 2020 business year**

#### **The composition of the Audit Committee between 1 January 2020 and 25 November 2020**

During the period under review, the Audit Committee was constituted by four (4) members, namely:

Tomcsányi Gábor (Chairman; term of appointment: indefinite)  
Ódorné Angyal Zsuzsanna (term of appointment: indefinite)  
Tima János (term of appointment: indefinite)  
Kunosi András (term of appointment: indefinite)

#### **The composition of the Audit Committee between 25 November 2020 and 31 December 2020**

Tomcsányi Gábor, the Chairman of the Audit Committee and Ódorné Angyal Zsuzsanna and Tima János, the members of the Audit Committee, resigned from their position in the Audit Committee with effect from 25 November 2020 (with their statement included in a separate document). At the Extraordinary General Meeting of the Company held on 25 November 2020, it was decided to elect Simon Zoltán and Büdyné dr. Rózsa Ildikó as members of the Audit Committee. At its Extraordinary General Meeting held on 25 November 2020, the Company elected the new members of the Audit Committee, which thus consisted of the following three (3) members:

Simon Zoltán (chairman; term of appointment: indefinite)  
Büdyné dr. Rózsa Ildikó (term of appointment: indefinite)  
Kunosi András (term of appointment: indefinite)



### **2.2.2 Duties and powers of the Audit Committee**

Duties and powers of the Audit Committee

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

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

During the period under review, the Audit Committee did not meet the pandemic situation caused by COVID-19. The Audit Committee made its decisions during the reporting period by written vote.

## **2.3 The auditor**

### **2.3.1 Elected Auditor of the Company**

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

With its Decision No. 14/2018. (04.26.), the General Meeting elected INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Korlátolt Felelősségű Társaság (registered office: 1074 Budapest, Vörösmarty utca 16-18. A. ép. Fsz. 1/F.; company registration number: 01-09-063211; Chamber Registration Number: 000171) as the permanent auditor of the Company. The auditor's assignment shall last until the adoption of the balance sheet for the business year 2020, but not later than 30 April 2021.

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

The General Meeting held on 29 April 2020 - accepting the proposal of the Audit Committee - established the remuneration of the elected permanent auditor for the individual annual report for the financial year 2020, prepared in accordance with the Act on Accounting, in the amount of 7,900,000,-HUF + VAT, while for the consolidated accounts compiled in accordance with the International Financial Reporting Standards (IFRS) in the amount of 2,500,000,-HUF + VAT.

### **2.3.2 Requirements for the auditor**

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

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



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

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

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

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

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

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

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

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

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

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

The position of the permanent statutory auditor shall be terminated

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

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



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

### **3. Internal controls, risk management procedures**

#### **3.1 The Company's Disclosure Principles**

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

#### **3.2 The Company's insider trading policies**

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

### **4. Shareholder rights**

#### **4.1 Overview of the manner of exercising shareholder rights**

Between 1 January 2020 and 31 December 2020, the share capital of the Company consisted of 94,000,000,- 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 1,880,000,000,-HUF.

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

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

- the name / business name of the shareholder, shareholder's proxy,
- the residential address / registered office of the shareholder, shareholder's proxy,
- the number of the shareholder's shares and temporary shares per share type or series of shares (the extent of his ownership share).

Anyone can view the share register.

The change of ownership is recorded by the securities account provider, at the same time notifying the Board of Directors of the Company or its agent, who, unless otherwise provided, registers the shareholder in the share register.

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

#### **4.2 Brief description of the rules related to the conduct of the General Meeting**

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



The General Meeting shall be held at least once (1) a year, no later than April 30 following the closing of the financial year, provided that the repeated General Meeting in the event of a quorum shall be convened at least ten (10) days after the original date.

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 and on the website of the BSE) 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, at least ten (10) days must elapse between that and the date of the repeated General Meeting, furthermore, the period between the General Meeting without a quorum and the repeated General Meeting may not exceed twenty-one (21) days. 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 of the General Meeting is elected by the General Meeting by a simple majority of those present, on the basis of the joint proposal of the Board of Directors and the Supervisory Board. The same procedure shall apply to the election of the teller, the recorder of the minutes and the verifier of the minutes proposed by the presiding Chairman of the General Meeting, provided that the verifier of the minutes of the General Meeting may only be a shareholder present or his representative.





The presiding Chairman of the General Meeting shall chair the deliberations on the basis of the agenda item, order the voting and present its results, and announce the resolutions of the General Meeting. 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)).

Dated as of [ \* ]<sup>th</sup> April 2021 in Budapest

**4iG Plc.**



## Corporate Governance Declaration

### on compliance with the Corporate Governance Recommendations

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

#### **Compliance with Recommendations**

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

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

**Yes**

No

Explanation:

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

**Yes**

No

Explanation:

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

**Yes**

No

Explanation:

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

Yes

**No**

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

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

**Yes**

No

Explanation:

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

**Yes**

No

Explanation:

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



**Yes**

No

Explanation:

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

**Yes**

No

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

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

**Yes**

No

Explanation:

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

**Yes**

No

Explanation:

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

Yes

**No**

Explanation: No such circumstance arose in the 2020 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 were no joint votes amending the Articles of Association where the joint character would have hampered the transparency of the amendments.



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

Yes

No

Explanation:

### Issues covered by point 1.5 have repealed<sup>3</sup>

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: The company has internal regulations on disclosure, however, it only partially covers the information listed in section 1.6.2 of the Recommendations.

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:

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<sup>3</sup> As a result of the review of the Recommendations in 2020, the Corporate Governance Committee repealed Section 1.5 on Remuneration and recommendations under 1.6.7 and accordingly amended items 1.6.2, 1.6.9 and 2.2.2 as well as Annex 1, with regard to the provisions of *Act 67 of 2019 on the incentivisation of long-term shareholder participation and harmonization of particular other acts*, which governs remuneration matters. However, in the future, the Committee intends to give interpretations and guidance to complement these legal provisions as relevant experience is learnt and gathered. New recommendations derived from this experience shall replace the repealed or amended ones.



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

Yes

No

Explanation:

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

Yes

No

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

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

Yes

No

Explanation:

#### **Issues covered by point 1.6.7.1-2. have repealed<sup>4</sup>**

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:

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

Yes

No

Explanation:

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

Yes

No

Explanation: It was not like that in the 2020 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:

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<sup>4</sup> Vid. point 1.5 (Page 18)



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:

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: The Company uses the BSE and the relevant legal regulations.

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 uses 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: The members of the management comply with this obligation, however, no such transaction occurred during the 2020 business year.

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: No such transaction occurred during the 2020 business year.

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.

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:

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:

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: No dividends were paid during the reporting period.

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: The Company has no such obligation.

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:

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

Yes

No

Explanation: In the contracts with the auditor and the contracted law offices, the Company set out the material scope of the activity and service, and how to maintain contact.

[\*]<sup>th</sup> April 2021, Budapest

**4iG Plc. Board of Directors**