

**REPORT OF THE BOARD OF DIRECTORS**  
**OF THE SOCIETE ANONYME UNDER THE CORPORATE NAME “GRIGORIS SARANTIS SOCIETE ANONYME**  
**INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, CLOTHING, HOUSEHOLD AND PHARMACEUTICALS”**  
**ON THE REVISION OF THE COMPANY’S REMUNERATION POLICY**

*(in accordance with the provision of Article 111 par. 2 of Law 4548/2018)*

To the General Meeting of the Shareholders of the société anonyme under the corporate name “GRIGORIS SARANTIS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, CLOTHING, HOUSEHOLD AND PHARMACEUTICALS”

(the “Company”)

Dear Shareholders,

The Board of Directors of the Company, after a recommendation of the Remuneration & Nominations Committee, decided on the revision of the Company’s Remuneration Policy by adding a five-year incentive plan, which applies exclusively to the below Management Team of the Company. The revised Remuneration Policy of the Company is submitted for approval by the General Meeting of the Shareholders, in accordance with par. 2 of Art. 111 and par. 2 of Art. 110 of Law 4548/2018.

In this regard, the Board of Directors wishes to bring to the attention of the General Meeting the following:

**I. Amendments**

The amendment of the Company’s Remuneration Policy concerns the addition of a long-term (five-year) incentive plan for the period from 01.01.2024 to 31.12.2028, which applies to the following Management Team of the Company:

- (a) the Deputy Group CEO (Deputy CEO);
- (b) the Group Chief Financial Officer (Group CFO);
- (c) the Group Chief Human Resources Officer (Group CHRO);
- (d) the Group Chief Marketing Officer (Group CMO); and
- (e) the Group Supply Chain Manager (Group CSCO).

Based on the proposed incentive plan, the Group’s EBITDA as at 31.12.2028 is defined as the Key Performance Indicator and the related remuneration to the members of the above Management Team will be made through distribution of Company’s profits, following evaluation of the results of achievement of the Group’s target.

**II. Explanation of amendments**

The introduction of the long-term incentive plan for the Company’s Management Team is linked to the Company’s five-year plan (2024-2028), as publicly announced to the investment community on 14.03.2024 by the Group’s Management Team, which is expected to double the Group’s financial performance (EBITDA 120,000,000 Euros), which, in turn, is expected to bring significant added value to its shareholders.

In this context, the introduction of the five-year incentive plan aims to retain capable executives in the Group by rewarding them for fulfilling the plan.

Based on the above, the new five-year incentive plan that is attached hereto as Annex I will enhance the above and aims to optimize the performance of the Company’s executives and, consequently, to maximize its value.

For all the above reasons, the Board of Directors of our Company considers that the revision of the Company's Remuneration Policy is justified and rational in business terms. To this end, it submits to the Ordinary General Meeting of the Company's Shareholders this report and recommends the adoption of a relevant decision for the approval of the Revised Remuneration Policy of the Company.

Marousi, 28.03.2024

**THE BOARD OF DIRECTORS**

ANNEX I



**LONG-TERM INCENTIVE PLAN  
TO ACHIEVE THE FIVE-YEAR PLAN**

## Table of Contents

1. Introduction.....	<u>3</u>
2. Purpose.....	3
3. Five-year incentive plan.....	3
4. Loss of position.....	4

#### a. Introduction

This will be an annex to the Compensation Policy approved on 20/12/2023, which is an integral part of the Company's corporate governance and is in line with its overall operating policy, business strategy, objectives and long-term interests.

It is clarified that the general terms of the current remuneration policy apply to the 5-year plan, unless specified below.

#### b. Purpose

According to the Company's 5-year plan (2024-2028), as publicly announced to the investment community on 14.03.2024 by the Group's Management Team, doubling the Group's profitability (to EBITDA 120.000.000,00 Euros) is estimated to add significant value to its shareholders.

In this context, the Remuneration and Nomination Committee considered appropriate and recommended to the Board of Directors the introduction of a five-year incentive plan aiming to overachieve the targeted profitability and also to reward and retain the management Group. The Board of Directors decided the adoption of such plan.

#### c. Five-year incentive plan

The Five-year incentive plan, as set out, covers the period from 01.01.2024 to 31.12.2028 and is limited to the Group's Management Team, i.e:

- the Group Deputy Chief Executive Officer (Group Deputy CEO);
- the Group Chief Financial Officer (Group CFO);
- the Group Chief Human Resources Officer (Group CHRO);
- the Group Chief Marketing Officer (Group CMO); and
- the Group Chief Supply Chain Officer (Group CSCO).

For the performance and monitoring of the achievement of the above plan, the Group's EBITDA of EUR 150,000,000.00 as at 31.12.2028 is defined as the sole Key Performance Indicator, as reflected in the table below, together with the respective amounts relating to each member of the Management.

<b>Five year plan 1.1.2024 - 31.12.2028</b>					
<b>EBITDA €</b>	<b>120.000.000</b>	<b>135.000.000</b>	<b>150.000.000</b>	<b>165.000.000</b>	<b>180.000.000</b>
<b>Achievement (%)</b>	<b>80%</b>	<b>90%</b>	<b>100%</b>	<b>110%</b>	<b>120%</b>
<b>Payout</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>125%</b>	<b>150%</b>
<b>Deputy CEO</b>	1.400.000	2.100.000	<b>2.800.000</b>	3.500.000	4.200.000
<b>Group CFO</b>	600.000	900.000	<b>1.200.000</b>	1.500.000	1.800.000
<b>Group CHRO</b>	500.000	750.000	<b>1.000.000</b>	1.250.000	1.500.000
<b>Group CMO</b>	500.000	750.000	<b>1.000.000</b>	1.250.000	1.500.000
<b>Group CSCO</b>	500.000	750.000	<b>1.000.000</b>	1.250.000	1.500.000
<b>Total for payment</b>	<b>3.500.000</b>	<b>5.250.000</b>	<b>7.000.000</b>	<b>8.750.000</b>	<b>10.500.000</b>
<b>(%) Achievement to EBITDA</b>	<b>2.9%</b>	<b>3.9%</b>	<b>4.7%</b>	<b>5.3%</b>	<b>5.8%</b>

Payment of the above will be made by distribution from the Company's profits to the beneficiaries in 2029, after the results of the achievement of the target have been evaluated and approved by the Board of Directors and the 2028 financial statements have been approved by the Annual General Meeting.

Furthermore, in the event of an intermediate quantitative target being achieved, calculation of the payment will be made on a pro-rata basis.

Example: assuming that on 31.12.2028 the group's EBITDA amounts to EUR 160,500,000 (achievement of 107%), the participants will receive 117,5% of their target.

#### **d. Loss / Position Replacement**

In the event of termination or dismissal for any reason of the employment of beneficiaries, as stated in the applicable remuneration policy, payments and the notice period must comply with the applicable provisions of the law, depending on the circumstances of termination or dismissal of employment. In addition, the following scenarios for the repayment of the Five-year plan are put in place:

- In case of a) termination/dismissal of the employment contract due to death; b) retirement; c) absolute permanent disability or total disability according to the legislation; d) termination of the employment contract by the company for any reason (except for disciplinary or criminal misconduct), the Plan will be awarded pro-rata at the payment date of the plan, according to the participant's participation time and the achievement of the objective.
- In case of termination of the employment contract by the Company for disciplinary or criminal misconduct, voluntary departure of the participant without the consent of the Company before the payment date, the Plan will not be paid, while the participant leaving for such reasons will not receive any relevant remuneration.
- In case of replacement or promotion, the Plan will be awarded pro-rata at its expiry, according to the participant's participation time and the achievement of the objective.

Pursuant to the above a draft of the proposed amendment of the Remuneration Policy is available in the Company's website <https://www.sarantisgroup.com/investor-relations/shareholders/general-meetings/>.