



REMUNERATION POLICY

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1. Introduction

This Remuneration Policy ("Remuneration Policy") defines the principles and guidelines governing the remuneration of the members of the Board of Directors and the Executives of the company GR. SARANTIS S.A. ("Company" as well as its subsidiaries, according to Article 110 par. 1 case b of Law 4548/2018. The Remuneration Policy has been approved by the General Meeting of Shareholders on 20/12/2023 and it is valid for a period of (4) years from its approval. The Remuneration Policy succeeds, merges and replaces any other remuneration policy that may have existed prior to its approval. In the event of a revision thereof or an amendment thereto is required, the Remuneration & Nominations Committee ("RNC") shall present the revised Remuneration Policy to the Board of Directors for approval. Upon its approval by the Board of Directors, it shall be included as a topic for discussion at the next General Meeting of the Company's shareholders, for final approval.

The Remuneration Policy has been drafted in compliance with the applicable legislation and particular, in compliance with the provisions of Law 4548/2018, the provisions of Directive 2007/36/EC of the European Parliament, and the provisions included in the Company's Articles of Association.

The Remuneration Policy is an integral part of the Company's corporate governance and is in line with the overall operating policy, business strategy, objectives and long-term interests of the Company and long-term value creation for its shareholders. The Remuneration Policy promotes the proper and effective risk management and is in line with the objectives of the Company's operational strategy and risk management strategy, corporate culture, values, long-term interests, and the measures taken to avoid conflicts of interest.

2. Scope

The "Remuneration Policy" applies to the following levels:

- ✓ Executive Members of the Board of Directors.
- ✓ Non-Executive Members of the Board of Directors.
- ✓ Executives, i.e. the employees who have the authority and responsibility for the planning, management and control of the Company's activities, directly or indirectly, as defined in Article 110 par. 1 case b. of Law 4548/2018.
- ✓ Executives of the subsidiaries, as defined above for the Executives of the Company.

3. Purpose

The purpose of the Remuneration Policy is to define a transparent and equal framework of remuneration, voluntary benefits and compensation for the members of the Board of Directors and the Executives. In addition, the Remuneration Policy aims to align the interests of the shareholders, the Company, the members of the Board of Directors, and the Executives, ensuring that the employees of the Company are remunerated fairly for their experience and contribution.

It has been carefully designed with a view to promoting the business strategy and long-term sustainability of the Company. This is achieved through the introduction of a remuneration framework that aligns the individual objectives with the broader operational objectives of the Company. In this way, it is ensured that the Company continues to create value for both consumers and shareholders.

4. Process for Approval of Remuneration- Remuneration Policy Governance

The transparency and objectivity in the determination of the remuneration (i.e. fees and benefits) of the members of the Board of Directors and the Executives are essential factors for the successful performance of the Company and for promoting and maintaining its value over time. The determination and monitoring of the proper application of this process is entrusted to the RNC.

The duties of the RNC include controlling, reviewing and updating regularly the process and terms for the award of remuneration, in order to align them with both the business objectives and the applicable regulatory framework.

In particular, RNC:

- a) proposes to the Board of Directors on the Remuneration Policy that is submitted for approval to the General Meeting, in accordance with par. 2 of Article 110 of Law 4548/2018
- b) makes proposals to the Board of Directors, for the remuneration of the employees falling within the scope of the Remuneration Policy, in accordance with Article 110 of Law 4548/2018, as well as proposals regarding the remuneration of the Company's Executives including the Head of the Internal Audit Department.
- c) examines the information contained in the final draft of the Annual Remuneration Report, providing its opinion to the Board of Directors, before submitting the report to the General Meeting, in accordance with Article 112 of Law 4548/2018.

The Internal Audit Department performs an independent internal audit of the implementation of the Remuneration Policy, at least once a year.

The RNC cooperates with the Company's internal Departments as well as with independent external consultants for the update and development of the Remuneration Policy.

The Board of Directors prepares and publishes a clear Annual Remuneration Report for the individuals that are subject to the Remuneration Policy, in order to provide a detailed statement of their remuneration for the previous financial year, in accordance with Law 4548/2018, unless such disclosure is not permitted for reasons of personal data protection. The auditors of the Company examine its validity as to the necessary information required by law. The Report is available on the Company's website for as long as it is specified and in compliance with the General Regulation and national legislation on the personal data protection.

5. Remuneration

5.1. Non-Executive members of the Board of Directors

In compliance with the provisions of Article 7 of Law 4706/2020 on the Corporate Governance Code, the Non-Executive Board Members ("NEM"), in addition to their general duties as members of the Board of Directors, are entrusted with the systematic supervision and monitoring of the management decision-making process.

The NEM are compensated with fixed remuneration ("Annual Fixed Compensation"). The amount of the Annual Fixed Compensation is determined on the basis of the time required to attend the meetings of the Board of Directors, its committees, as well as the time of preparation of the NEM for their participation. The Annual Fixed Compensation does not include any expenses incurred to serve the Company's operation, such as mileage compensation, travel expenses, catering services etc. The Company sets the Annual Fixed Compensation, benchmarked to the general level of remuneration for Non-Executive Members, using comparative reviews from the Greek and European markets. The NEMs do not participate in the short-term incentive plan (Bonus), the long-term incentive plan (LTI) or the other benefits, as described in Article 5.2 under the title "Other Benefits and Pension Scheme". Pursuant to Article 25 (3) of the Articles of Association, the NEM of the Board of Directors receive their Annual Fixed Compensation from the distribution of profits and following a relevant decision of the annual ordinary General Meeting, as specified in Articles 109- 112 of Law 4548/2018, based on the amounts as described in the table below or any adjusted amounts as provided below, that, especially as regards the independent NEM do not constitute a substantial award under Article 9 par. 2.pt. as of Law 4706/2020. The Annual Fixed Compensation may be paid in foreign currency at the exchange rate applicable at the time of its payment. The Annual Fixed Compensation payable to NEM is as follows:

Capacity of Board Member	Annual Fixed Compensation
Non-Executive Vice Chairman	Euro 60,000
Independent Non-Executive Members	Euro 30,000
Chairman of the Audit Committee	Euro 30,000
Members of the Audit Committee	Euro 15,000
Chairman of the Remuneration & Nominations Committee	Euro 12,000
Members of the Remuneration & Nominations Committee	Euro 6,000
Chairs of other Committees	Euro 18,000
Members of other Committees	Euro 9,000

The above Annual Fixed Compensation may, throughout the period of validity of this Remuneration Policy, be adjusted by decision of the Board of Directors following a relevant proposal of RNC, up to a maximum of 25% in total per case until the expiry of this Remuneration Policy.

Each NEM shall be able to participate in one or more committees according to the relevant legislation and collectively receive the above Annual Fixed Compensations.

5.2. Executive Members of the Board of Directors

The Executive Members of the Board of Directors hold the following positions:

- Chairman of the Board of Directors of the Company (Group) *
- Chief Executive Officer of the Company (Group) *
- Deputy Chief Executive Officer of the Company (Group)
- Chief Financial Officer of the Company (Group)
- Chief Human Resources Officer of the Company (Group)

The RNC examines the performance of the Executive Members of the Board of Directors annually and proposes accordingly their remuneration, voluntary benefits and compensations to the Board of Directors. Each Executive Member of the Board of Directors does not participate in the decisions of the Board of Directors on the determination of their own remuneration, voluntary benefits and compensation.

The remuneration of the Executive Members of the Board of Directors consists of:

- (a) the Fixed Remuneration,
- (b) the Short-Term Incentive Plan ("Bonus"), provided that the conditions of the Plan are met.
- (c) the Long-Term Incentive Plan ("LTI"), provided that the conditions of the Plan are met; and

* Grigoris Sarantis, Chairman of the Board of Directors, and Kyriakos Sarantis, Chief Executive Officer, do not participate in the short-term and long-term incentive plan, and in other benefits, being main shareholders.

(d) Other Benefits, as described in Article 5.2 below with the title "Other Benefits and Pension Scheme".

Also, according to Article 25 (3) of the Articles of Association, the Executive Members of the Board of Directors may, by decision of the Annual General Meeting, participate in the annual distribution of profits of the Company, as specified in Articles 109- 112 of Law 4548/2018.

Fixed Remuneration

Fixed Remuneration is paid in accordance with Greek law. The main objective of the Company is to attract and retain Executives, which will provide long-term and sustainable growth of the Group's business activity in accordance with the Group's values.

The main factors taken into account to determine the level of fixed remuneration are:

- The level of position in the internal grading system,
- The benchmark review of respective positions in companies of similar size and industry in the Greek and European market,
- The relevant experience, skills and capabilities required for each position.

The Fixed Remuneration includes, the regular salary paid through payroll. This may also be denominated in foreign currency using the exchange rate at the time of payment. Fixed Remuneration may be adjusted on the basis of inflation, the individual performance of the officer following a relevant proposal of RNC.

Short-term Incentive Plan ("Bonus")

In the context of achieving the short-term financial and operational objectives, the Company offers an annual Bonus plan. The plan is structured to support the business objectives and reward the employees for their performance.

The Key Performance Indicators ("KPIs") have been selected to reflect their weight and relative importance for the success of the Company. The payment of the Bonus takes into account the degree of achievement of the objectives of each KPI and the assessment of individual performance. The KPIs used for the payment of Bonus are Earnings before Taxes and Interest, hereinafter EBIT of the Company, Net Sales and Inventories.

An essential KPI triggering the payment of the Bonus is the annual EBIT.

Minimum: For the payment of the Bonus, the Company must achieve at least 90% of the EBIT.

Maximum: The maximum percentage of the Bonus payment is 120% when reaching 110% for each KPI.

Bonus is paid once a year, after the performance evaluation has been completed.

It is noted that the maximum percentage of short-term plan (Bonus) of each participant is limited to a maximum 50% of the annual fixed remuneration for that participant.

The KPIs shall be regularly evaluated and may be amended if necessary to ensure their alignment with the Company's objectives in a volatile environment. The Board of Directors of the Company has the discretion, following a relevant proposal of RNC, to select the appropriate KPIs that serve the short-term operational objectives of the Company.

The Executive Members of the BoD participating in the Annual Bonus are the Deputy Chief Executive Officer of the Group, the Chief Financial Officer of the Group and the Chief Human Resources Officer of the Group. Additionally, certain Executives in Greece and in the international subsidiaries, can participate in a corresponding short-term incentive plan, according to the internal grading system of the Company and its subsidiaries.

The Bonus is a voluntary benefit of the Company, provided on a discretionary basis by the Company without prejudice to its right to revoke, modify or cancel the possibility of providing it at any time.

Long-Term Incentive Plan - Performance Stock Awards ("LTI"), pursuant to Article 42a of Law 4172/2013.

The LTI plan is a rolling program, of free shares award (performance shares) which aims in achieving the long-term strategic objectives of the Company, its sustainability, as well as the reward, retention and recognition of the contribution of those employees that are subject to the Remuneration Policy.

Performance shares are awarded if certain performance criteria are met. The performance shares are intended to prompt the Company's management team to prioritise activities that positively affect the value of its shares. The purpose of the performance shares, which the Executives may receive as compensation for the achievement of the objectives, is to link the interests of its Executives with those of the shareholders and to forge the loyalty of the Executives of the Company to the achievement of its strategic objectives over time.

The establishment of the LTI is decided by the General Meeting. The LTI consists of three separate independent cycles, each cycle comprising a three-year performance period, with the first evaluation date for the first cycle being on 31 December 2025.

The 1st cycle provides for the award of free shares to the final beneficiaries within 2026, on the basis of achieving KPI performance objectives during the period from 1.1.2023 to 31.12.2025.

The 2nd cycle provides for the award of free shares to the final beneficiaries within, 2027, on the basis of achieving KPI performance objectives, during the period from 1.1.2024 to 31.12.2026.

The 3rd cycle provides for the award of free shares to the final beneficiaries within, 2028, on the basis of achieving KPI performance objectives during the period from 1.1.2025 to 31.12.2027.

It is not compulsory that an equal number of shares is distributed in each cycle. The participation of a beneficiary in a cycle does not exclude its participation in the other cycles.

The performance of the LTI for all three three-year cycle depends in equal percentage on two KPIs. The increase percentage of the EBITDA margin and the reduction of the Operating Working Capital (“OWC”) as a percentage of net sales.

KPIs may be regularly evaluated and may be amended, if necessary, by the Annual General Meeting, to ensure their alignment with the long-term objectives of the Company. For this reason, the Board of Directors of the Company has the discretion to recommend to the Annual General Meeting, the number as well as the appropriate KPIs per cycle with a minimum of two and a maximum of three KPIs for each cycle, so the Annual General Meeting can decide. The possible future KPIs that may be added to the LTI include but are not limited to: EBIT%, Return on Capital Employed (ROCE), Earnings Per Share (EPS), Total Shareholder Return (TSR), ESG-related KPIs and any other KPI considered necessary.

The reward via the LTI shall take place through the award of free performance shares to the beneficiaries in the 4th year (i.e., in the following year of completion of each cycle), after the results of the performance of the KPIs have been evaluated and approved by the Board of Directors. The Board of Directors shall determine the amount of the LTI for each participant, in a way that the value of the free shares to be awarded does not exceed the annual amount of the short-term plan (Bonus) of each participant during the first year of each cycle.

It is noted that:

- i) the maximum percentage of short-term plan (Bonus) of each participant during the first year of each cycle, is limited to a maximum 50% of the annual fixed remuneration for each participant, and
- ii) the total value of the shares to be awarded, for all participants, will not exceed for the 1st three-year cycle (2023 to 2025) the amount of 900,000 euros, for the 2nd three-year cycle (2024 to 2026) the amount of 1,100,000 euros and for the 3rd three-year cycle (2025 to 2027) the amount of 1,300,000 euros.

In any case, the total number of shares to be allocated to all participants over the three three-year cycles will not exceed 0.7% of the total number of existing shares or 467,953 shares.

The table below describes the mechanism of the LTI.

Years	0	1	2	3	4	5	6
LTI1	Establishment of Objectives	Evaluation Cycle			Measurement of Performance and Award		
LTI2		Establishment of Objectives	Evaluation Cycle			Measurement of Performance and Award	
LTI3			Establishment of Objectives	Evaluation Cycle			Measurement of Performance and Award

Minimum: For the performance of the LTI, the Company must achieve at least 75% of each KPI per cycle.

Maximum: It is set at 100% of the achievement for each KPI per cycle.

The Executive Members of the BoD participating in the LTI are the Deputy Chief Executive Officer of the Group, the Chief Financial Officer of the Group and the Chief Human Resources Officer of the Group. In addition to the above Executive Members of the BoD, the General Managers of the Group's subsidiaries in Greece, Poland, Romania, the Czech Republic, Ukraine, Serbia, Bulgaria, and Hungary, as well as the Chief Marketing Officer of the Group and the Chief Supply Chain Officer of the Group also participate in the LTI. In the future, additional levels of Executives, according to the Internal Grading system in Greece and in the Group's subsidiaries, will be able to participate in the LTI following a decision of the Board of Directors.

The Performance Stock Award Plan shall be governed by the provisions of Article 114 of Law 4548/2018 and respectively by the provisions of Article 42 a of Law 4172/2013. For the purpose of implementing the Plan, the Company shall award treasury shares that have been acquired or to be acquired, in accordance with paragraph 3 of Article 49 of Law 4548/2018.

The shares that will be awarded will be ordinary registered shares with voting rights and will incorporate all the rights provided for in the law and the Articles of Association of the Company.

The value of the shares to be awarded shall be determined by the Board of Directors following a recommendation by the RNC on the basis of the market value of the share at the close of the previous day from the announcement of results for the fiscal years 2025, 2026, 2027 (hereinafter: "Share Value") and shall be made available to the beneficiaries by decision of the Ordinary Annual General Meeting, which is also the relevant body for the approval of the annual financial statements, the confirmation of the achievement of the objectives and the one to take the decision on the award of the free shares.

This Plan constitutes a voluntary benefit of the Company on a discretionary basis, which can be modified or revoked unilaterally at any time by it, without prejudice to acquired rights, with the exception of the case of Bad Leavers as referred to in paragraph 6 on the Loss of Office. Such modification or revocation does not in any way constitute a unilateral harmful change and the participants shall not have or retain any claim against the Company with regards to the particular Plan. The Company in no case commits to continue or maintain or implement the same or similar plan, upon the expiry of this Plan, i.e. after the completion of the third cycle.

Other benefits and Pension scheme

The benefit plan is designed to reinforce the overall remuneration package. The corporate benefits include a company car or car allowance, mobile phone, health & life insurance and a fuel card.

The Company also offers a group insurance pension scheme, harmonised with the Market. The benefit paid by the Insurer under the terms of the current group insurance pension scheme is taxed independently on the basis of the applicable tax legislation. A well-structured program for the Executive members of the Board of Directors and for Executives based on the internal grading system of the Company, plays a key role in the overall prosperity and financial security of the Executive Members of the Board of Directors. By offering a robust pension scheme, the Company does not only attract top talents, but also enhances the retention and loyalty of the Executive members of the Board of Directors. The maximum contribution of the Company to the pension scheme may not exceed the 20% of the annual regular salary.

6. Loss of Office

In the event of expiry or termination for any reason of employment of the Executive Members, payments and notice period must comply with the applicable provisions of the law, depending on the conditions of expiry or termination of employment. In addition, the following scenarios for the payment of the Bonus and the award of free performance stock (LTI) come into effect:

- In the event of expiry/termination of the employment contract due to death, retirement, total permanent disability, absolute permanent disability or complete incapacity in accordance with the legislation, the Bonus shall be awarded on a pro-rata basis based on the objectives and the achievement rate upon expiry/ termination and the free shares shall be awarded in each cycle on a pro-rata basis, depending on the rate and the achievement objectives upon expiry/termination.
- In case of termination of the employment contract by the Company for any reason other than the abovementioned, voluntary departure of the participant without the consent of the Company before the date of payment, the Bonus shall not be paid, while the person leaving for these reasons shall be considered a Bad Leaver and shall not be entitled to receive free shares based on the LTI.

7. Change in Control

In the event that there is a change in control, which is due to the sale of all the assets or to the sale of a percentage of the Company's shares leading to a new majority composition of the shareholder base, then and only then, the Bonus shall immediately become payable (and shall be calculated on a pro-rata basis according to the objectives and the rate of achievement during the change in control), while the number of free shares to be awarded shall be calculated and awarded on a pro rata basis, depending on the percentage and objectives of the achievement during the change in control.

8. Contracts with members of the Board of Directors

The contracts of the Executive members are of indefinite term and do not provide for specific obligations, other than the standard obligations and those that are mandatory under the labour legislation.

9. Temporary Derogations

In exceptional circumstances, a temporary derogation from the approved Remuneration Policy is permitted, provided that:

- ✓ the RNC has submitted a relevant recommendation to the Board of Directors for approval,
- ✓ the proposed derogation concerns the remuneration of the members of the Board of Directors;
- ✓ the derogation is deemed necessary to serve the long-term interests of the Company as a whole or to ensure its viability.

10. Process for the Approval, Implementation and Revision of the Remuneration Policy

The Remuneration Policy is approved by the General Meeting of the Company's shareholders. The shareholders' vote on the Remuneration Policy is binding. The Remuneration Policy is reviewed annually by the RNC, in order to ensure its implementation, its harmonisation with the current legal and regulatory framework, as well as with the economic and market conditions.

The Remuneration Policy may be reviewed on a regular basis following a proposal by the Remuneration & Nomination Committee to the Board of Directors after taking into account the advisory vote of the General Meeting of shareholders on the Remuneration Report. In particular, the RNC submits the new Remuneration Policy to the Board of Directors of the Company for approval. Following its approval by the Board of Directors, the new Remuneration Policy is submitted to the General Meeting for a vote. The shareholders' vote is binding. In the event that the General Meeting does not approve the proposed new Remuneration Policy, the Company shall continue to pay the remuneration of the members of the Board of Directors only in accordance with the last approved Remuneration Policy and submit a revised Remuneration Policy for approval by the next General Meeting.

The period of validity of the Remuneration Policy may not exceed four (4) years from its approval by the General Meeting.

11. Publications

The Remuneration Policy, together with the date and the results of the General Meeting vote shall be submitted to publicity formalities and shall remain available on the Company's website (sarantisgroup.com) throughout its validity period.