

## APPENINN PLC.

# REMUNERATION POLICY

<b>ENTERS INTO FORCE:</b>	<b>26 APRIL 2024</b>
<b>APPROVED BY:</b>	<b>THE GENERAL MEETING PRESENT (...%) THE MAJORITY OF ... NO. ... / 2024.(04.26.) BY THE GENERAL MEETING RESOLUTION</b>

## 1. THE SCOPE OF THE REMUNERATION POLICY

This remuneration policy's target (hereinafter referred to as **"Remuneration Policy"**) is to ensure the implementation of the effective and successful remuneration policy of Appeninn Vagyonkezelő Holding Nyilvánosan Működő Részvénytársaság (hereinafter referred to as: **"Company"**), and within the framework of the hereof to define principles for clear, transparent and prudent operation in accordance with the business strategy, targets, values, long-term interests and sustainable business effectiveness of the Company.

With the help of a competitive remuneration based on the Remuneration Policy, the Company wants to make employees interested in achieving the goals set.

Within the framework of this Remuneration Policy of the Company, exact guidelines, incentive system and remuneration elements relevant to those persons who are under the scope of the Remuneration Rules are to be defined. At the same time, in accordance with the provisions of Act LXVII of 2019 on the Encouragement of Long-term Shareholder Engagement and the Amendment of Certain Act for the Purpose of Harmonisation, it affects the principles for the determination of the remuneration of those employees of the Company who do not fall within the personal scope of this Remuneration Policy, as well as the terms of employment of such employees.

## 2. GOVERNING LEGAL REGULATIONS

- (i) Act on Civil Code: Act V of 2013 on the Civil Code
- (ii) Act on Incentives: Act LXVII of 2019 on the promotion of long-term shareholder participation and the amendment of certain laws for the purpose of legal harmonization
- (iii) Act on the Labor Code: Act I of 2012 on the Labor Code

## 3. INDIVIDUAL AND MATERIAL SCOPE

Pursuant to Section 2 of the Act on Incentives, the persons of Director positions at the Company are subject to the personal scope of the Remuneration Policy as follows:

- (i) members of the Board of Directors of the Company, and
- (ii) Chief Executive Officer

(jointly hereinafter referred to as: **"Directors"**).

Pursuant to the governing rules of the Act on the Civil Code, and in line with the Articles of Association of the Company, and in accordance with the Organizational and Operational Rules, the management body of the Company – in place of the directorate and the supervisory board – is to be the Board of Directors, performing one-tier management system, consisting at a minimum of 5 (five) and at most 9 (nine) natural person members. The task performance related herein office of the members of the Board of Directors of the Company is subject to agency contract.

For the performance of their duties as members of the Board of Directors, the members of the Board of Directors shall receive exclusively the remuneration specified in Section 7.1 of this Remuneration Policy.

The Board of Directors of the Company shall appoint a chief executive officer to manage the activity and the functions necessary to implement the strategy of the Company. The Chief Executive Officer of the Company shall hereby perform the tasks in question upon employment relationship and classified as executive employee. The CEO may also be a member of the Board of Directors. It is the Board of Directors who is entitled to exercise employer's rights over the Chief Executive Officer. Provisions on the remuneration of the Chief Executive Officer are set forth in Points 8.1-8.3. of this Remuneration Policy.

#### **4. SCOPE AND TERM OF THE REMUNERATION POLICY**

The Board of Directors shall draft and approve the Remuneration Policy, and respectively make decision on submission the hereof policy for the General Meeting for opinion voting. Payments to the Directors shall be made exclusively if they are based on the Remuneration Policy submitted to the General Meeting.

With regard to the refusal of the Remuneration Policy by the General Meeting, the Company shall submit the re-drafted remuneration policy for the General Meeting for a rehearsed opinion voting upon the following General Meeting held.

The Remuneration Policy shall enter into force upon the approval resolution of the General Meeting, and it shall remain in force until the General Meeting resolution approving the amendment thereof is passed.

#### **5. IMPLEMENTATION AND REVISIONS OF THE REMUNERATION POLICY**

The Board of Directors shall be responsible for the implementation of the Remuneration Policy approved by the General Meeting. The Board of Directors shall discuss the remuneration report prepared by the Chief Executive Officer at the Board of Directors meeting in which the conclusion of business year is discussed, and the Board of Directors shall evaluate whether the remuneration practice of the Company is in compliance with the approved Remuneration Policy. The Board of Directors is obliged to submit the remuneration report for comments for the General Meeting. The remuneration report shall be public, and it shall include all elements and amounts if the remuneration, and it shall provide a comprehensive overview of the revenues earned by the Directors from the Company, thereby ensuring the transparency and accountability.

In order to avoid conflict of interest, in course of the decision-making of the Board of Directors, the member of the Board of Directors whose remuneration is the subject of the decision shall not vote.

In course of the discussion of the remuneration report, the Board of Directors shall review whether the revision of the Remuneration Policy is necessary. Regarding the case

of a material change but at a minimum, in every four year, the Remuneration Policy is to be presented to the General Meeting.

With regard re-drafting the Remuneration Policy, the new Remuneration Policy submitted for the General Meeting shall include the description and explanation of each and all substantial amendment done in relation to the Remuneration Policy as of the day of the last General Meeting voting, and, respectively, the introduction of how the opinion and votes of the shareholders concerning the Remuneration Policy and the remuneration reports is to be contained.

The Company publishes its Remuneration Policy and remuneration report on its website.

## **6. REMUNERATION PRINCIPLES OF THE COMPANY**

The fundamental principle of the remuneration system of the Company as set out in the Remuneration Policy is the provision of competitive remuneration to the Directors and to the employees of the Company, in the interests of the realisation of the objectives specified in this Remuneration Policy. With regard to the Company's view on the incentive effect of the remuneration upon realizing the set aims. Hence, upon setting the remuneration system, the Company pays special attention to reasonable remuneration adjusted to the proportions of the liability and responsibility performed by the said position. In addition, as a basic condition, the Company is committed to long-term employment concerning the Company's employees upon providing competitive remuneration driven by the continuous workforce of the market. In the course of determination of some element of the remuneration in question, the Company shall evaluate the competency, efficiency and the accomplishment of the said person regarding each case. Upon the determination of the value of the remuneration, the Company is seeking to realize remuneration which is considered to be reasonable, rewarding real performance, promoting implementation of economic aims, and encouraging effective work without stimulating unreasonable risk taking by unfounded and non-realistic performance expectations.

## **7. REMUNERATION FOR THE MEMBERS OF THE BOARD OF DIRECTORS WITH RESPECT TO THEIR OFFICE AND THEIR LEGAL RELATIONSHIP AT THE THE COMPANY**

### **7.1. REMUNERATION FOR THE MEMBERS OF THE BOARD OF DIRECTORS WITH RESPECT TO THEIR OFFICE**

Members of the Board of Directors, subject to executive officers of the Company, shall perform their activity under agency contract for an indefinite period, and in accordance with the usual practice at the Company, be entitled for the fix amount of Honoraria, of which amount is approved by the General Meeting of the Company on a yearly basis included in a separate agency item. The members of the Board of Directors shall be entitled to receive equal amount of the said honoraria. The members of the Board of Directors shall not be entitled to receive any other benefit or premium in addition to the Honoraria, their remuneration shall not include any changing element as the Company

shall hereby judge that the excessive short-term risk-taking shall encourage the strategical intentions of the Company.

The members of the Board of Directors are not entitled to receive any remuneration from the subsidiary companies of the Company.

The members of the Board of Directors are entitled to receive gross HUF 200 000 monthly remuneration with respect to their office.

Upon the submission on the amount of the Honoraria, the Company shall hereby pay attention to, that it must be reasonably value in order to comply with the remuneration system of the Company, and, respectively, with the degree of liability, and, moreover, with the social recognition of the said position and the place and role accepted in the business sector.

At the same time, upon defining the remuneration of the members of the Board of Directors, the Company shall hereby state a more modest but a proportional remuneration condition compared to the work, competencies and liability and responsibility of the employees of the Company typically.

The member of the Board of Directors shall be entitled for the said Honoraria as of the day of his or her assignment up to the termination of the hereof, regardless of the reason of termination of the assignment.

The members of the board of directors who are members in the audit committee do not receive further remuneration in addition to their Honoraria or other benefits for their work performed in the audit committee.

## 7.2. SUBSTANTIAL CONDITIONS IN RELATION TO THE POSITION OF THE MEMBERS OF THE BOARD OF DIRECTORS

<b>Term of validity</b>	The General Meeting shall hereby assign the members of the Board of Directors for an indefinite time.
<b>Rules on supplementary pension, or early retirement pension</b>	Not available.
<b>Conditions of notice period and termination of the assignment</b>	The agency contract of the member of the Board of Directors shall be terminated in cases as it is set forth in Section 3:25 of the Act on the Civil Code. The General Meeting shall be entitled to recall the aforesaid persons upon immediate effect. The members of the Board of Directors shall hereby resign at any time but, if so required by any vital interest of the Company, the resignation shall only take effect upon the delegation or election of a new executive officer, or in the absence of the aforesaid, on the sixtieth day following the announcement thereof.

<b>Disbursements in case of the termination of the assignment</b>	The members of the Board of Directors are not entitled to receive benefit in relation to their termination of their assignments.
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## **8. EMPLOYMENT AND RENUMERATION OF THE CHIEF EXECUTIVE OFFICER**

### **8.1. PERSONAL BASIC SALARY OF THE CHIEF EXECUTIVE OFFICER**

The base wage of the Chief Executive Officer shall be determined by the Board of Directors as the exerciser of the employer's rights, taking into consideration the financial situation of the Company, the labour market conditions, the number of employees, the tasks related to the realisation of the objectives determined by the Board of Directors in the short and medium terms and published in the strategy of the Company, the complexity of such tasks, as well as the extent of the responsibility.

### **8.2. THE PREMIUM OF THE CHIEF EXECUTIVE OFFICER**

With regard to the Chief Executive Officer, the Company shall hereby enforce a premium system promoting the business policy and economical targets of successful efficiency, and encouraging an effective and cost-effective operation in compliance with the Remuneration Policy in relation to the year in question.

The Board of Directors shall be entitled to announce the premium of the Chief Executive Officer and to the conditions of performance to evaluate the hereof. Upon the definition of the conditions of the premium, the hereof Remuneration Policy shall keep contribution to the business strategy and to the sustainability of long-term interests of the Company in mind. Accordingly, upon targeting the premium, financial and non-financial performance criteria are defined. In particular, the objectives in accordance with the hereinabove targets: consistent implementation of the long-term strategy published and of the business plan, making the organisation operation more effective, economical, transparent and sustainable, with special regard to the social responsibility of the Company. Cost and profit and loss effects of not-known or not-planned extraordinary projects determined at the objective settlement of the said year are taken into consideration on an individual basis.

The conditions of premium are to be defined upon the adoption of the business plan, but not later than within two months following the adoption of the herein business plan. The hereof target shall include the maximum amount of the premium, the task to be performed.

The assessment of the performance is at the meeting of the board of directors discussing the closure of the business year. The Chief Executive Officer shall be entitled to receive premium for performing the targets and set tasks. To the extent that the tasks defined in advance, or the targets are not performed in 100%, the Board of Directors shall hereby make decision on the proportionate payment of the premium. The disbursement of the premium happens within two months from the day of the General Meeting closing the business year.

The maximum bonus amount to be achieved and allocated after any given business year shall be no more than 60% of the current annual base wage of the chief executive officer.

The Board of Directors, in its discretionary power, shall make decision on the further awarding the chief executive officer, in particular, if the the efficiency of the Company proves thereof, or in the course of business there is an unforeseen – not-targeted in advance – change.

### 8.3. OTHER BENEFITS OF THE CHIEF EXECUTIVE DIRECTOR

<b>Phone, company car use, petrol reimbursement</b>	The telephone and the vehicle provided by the Company may be for the purposes for both work and personal purposes, and the Company shall provide a fuel card to cover the costs incurred in course of the vehicle use.
<b>Reimbursement of expenses, other benefits</b>	Reimbursement of expenses and other benefits are allowed to be accounted in relation to work performance and if it is reasonably required.

### 8.4. RECOVERY OF THE VARIABLE BENEFITS

Disbursement of premium paid legally on the basis of fulfilled criteria shall not be claimed back.

Clawback shall be established in case of infringement, in particular, as follows:

- (i) the disbursement was performed on the basis of a substantial defect included in the reports of the Company; or
- (ii) the chief executive officer introduced the aim defined as a condition or the result for disbursement in a deceive and misleading way, or the person entitled for decision making was mistaken for other reasons;
- (iii) the chief executive officer by himself, or by a third pary was disbursed by means of infringement.

Claim against the chief executive officer in relation to clawback shall be initiated by the Company within the limitation period set forth in the act on labor code.

### 8.5. SUBSTANTIAL CONDITIONS OF THE CHIEF EXECUTIVE DIRECTOR'S EMPLOYMENT CONTRACT

<b>Term of validity</b>	The employment relationship is for a indefinite period.
<b>Rules on supplementary pension, or early retirement pension</b>	Not available.
<b>Conditions of notice period and termination of the employment contract</b>	If the employment is terminated by notice, then the rules of Labour Code applicable to executive employees shall prevail, with the exception that the notice period prescribed may be no more than 30 days longer that the notice period

	specified in the Labour Code, which notice period may be applied in case of termination by notice by any of the parties.
<b>Disbursements in relation to the termination of the employment relationship</b>	The employee is entitled to receive disbursement in case of termination of the employment relationship as set forth in the Act on the Labor Code relevant to the employees in manager position. In case the employment is terminated by notice by the employer and in case the employer is terminated without legal successor, the severance pay payable to the employee may be increased by the additional sum of up to 3 (three) months' absentee pay in addition to the absentee pay specified by the Labour Code.

## **9. OTHER PROVISIONS AND CONDITIONS OF EMPLOYMENT RELATED TO THE WAGE OF THE OTHER EMPLOYEES**

The Chief Executive Officer as the exerciser of the employer's rights shall be entitled to determine the terms of employment, the base wage and other benefits of the employees who do not fall under the personal scope of this Remuneration Policy, in compliance with the principles set out in this Remuneration Policy. The Chief Executive Officer shall determine the base wage of the employees based on market terms and with taking into consideration that the competitiveness of the Company is ensured. The goal is not merely to obtain competitive workforce but to keep it as well.

Upon drafting the value of remuneration and making decision on other possible benefits, the chief executive officer shall take the equal treatment, non-discrimination, transparency and proportionality into consideration.

## **10. DEROGATION FROM THE REMUNERATION POLICY**

Derogation from the Remuneration Policy shall be done upon exceptional cases and for temporary period. The Board of Directors is entitled to derogate from the Remuneration Policy, if it is necessary for ensuring long-term interests and sustainable operation or viability in respect of the Company, in particular but not exclusively, upon market, legal regulation or taxation environment change, the derogation may be proved by change occurring in relation with the economic, financial status of the Company. In the course of the derogation, the act should be fair against the subject. The derogation may exclusively cover the honoraria of the members of the Board of Directors and the changing benefit components performed on the basis of employment relationship of the Company (premium, benefits).

Upon the decision on the derogation from the Remuneration Policy, the member of the board of directors involved is not entitled to vote.

Dated as of 4 April 2024 in Budapest

**Appennin Vagyonkezelő Holding**  
**Nyilvánosan Működő Részvénytársaság**  
**Board of Directors**