

REMUNERATION POLICY

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1. Introduction

The company under the name “GRIGORIS SARANTIS INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, APPAREL, HOUSEHOLD AND PHARMACEUTICAL PRODUCTS SOCIETE ANONYME” (hereafter: the Company) establishes a remuneration policy.

The remuneration policy has been established according to the legislation in effect and specifically the clauses of Law 4548/2018, the provisions of Directive 2007/36/EC of the European Parliament and the Council, as of 11th July 2007, concerning the exercise of certain rights by the shareholders of listed companies and of Directive 2017/828/EU of the European Parliament and the Council, as of 17th May 2017, for the amendment of Directive 2007/36/EC regarding the incentives of shareholders in terms of their active and long-term participation in corporate affairs.

The preparation of the present document is also based on the salary and labor conditions of the Company’s employees.

1.1 Objective

The objective of the present policy is to further strengthen the transparency, values, as well as the long-term interests and viability of the Company. It takes into account the desires of all parties involved, with an eligible and legally documented interest, concerning the maximization of the Company’s value and for this reason it agrees with and also contributes into the Company’s corporate strategy.

The present policy serves the effective management of risks and at the same time it discourages the undertaking of extreme risks, since the fees paid to the Board members are not linked to the achievement of any excessive profitability.

The procedures for the determination of the remuneration are clear, transparent and contain measures for the avoidance of cases of conflict of interest.

Specifically the contribution to the corporate strategy, the long-term interests of stakeholders and the Company’s viability are ensured via an evaluation process. This process concludes and agrees towards the mutual acceptance of a course which aligns the objectives of the Company with the efforts of the Senior Management. The aim of the evaluation process is the coherence of corporate action and the effectiveness in corporate practices, as well as the establishment of a sense of fairness among the members of senior management. Fairness means that equivalent efforts and corresponding results are assessed in the same manner. The evaluation process of the members of senior management is included in the evaluation process concerning the entire personnel, apart from the Board of Directors for which relevant provisions are defined in the present policy.

1.2 Remuneration Committee

Furthermore, with the current policy the Company establishes a Remuneration Committee with its duties consisting of the control, the review and the update on periodical basis of procedures and conditions governing the remuneration fees on both the company and group level, so that these are always aligned with the corporate objectives and the regulatory framework in effect.

1.3 Application Framework

The present remuneration policy is applied for persons under the following capacities:

- i. Chairman
- ii. Chief Executive Officer (CEO)
- iii. Deputy CEO
- iv. Members of the Board of Directors (BoD),
- v. Other members of the management. Following a relevant provision in the Company's Articles of Association, the present policy may concern other management members who exercise control, have a material influence, or hold a key position as manager or advisor. The approval concerning the inclusion of the above management members in the present policy is granted by the Board of Directors (BoD) following an assessment made by the Committee with regard to the relevant contribution of these members.

2. Policy

2.1 Remuneration / Benefits included

The present remuneration policy covers the entire remuneration as well as any compensation and benefit paid by the Company to the persons mentioned in the above section 1.3.

The policy refers to all types of remuneration, such as the following:

- Monetary,
- Shares,
- Stock options,
- Attendance expenses, as well as
- Granting of voluntary benefits towards the persons mentioned in the above section 1.3, such as indicatively corporate car, optional pension benefits, and insurance contracts.
- There are no benefits included in this policy concerning coverage of operating expenditures, such as gas expenses, parking expenses, tolls, rental/accommodation expenses, use of corporate card, mobile phone.
- In case of a decision approving a remuneration linked to participation in the Company's earnings, the particular remuneration fee should also be in accordance with the Articles of Association, whereas the level of the fee will be determined upon a resolution by the General Meeting based on simple quorum and majority. The remuneration that is granted from the earnings of the year is taken from the balance of net earnings after the deduction of the ordinary reserve and the distribution of minimum dividend to the shareholders.

2.1.1 Structure of Remuneration

The remuneration may include both a fixed and a variable part so that it can be aligned each time with the corporate development and effectiveness:

- i. Fixed Remuneration (payments or benefits regardless of any performance criteria): is granted on a systematic and regular basis and constitute the fixed income received by the persons mentioned in section 1.3.

In particular, the Company proceeds to the payment of fixed monthly remuneration fees to the members of the BoD for the services rendered, as well as with regard to their participation in the BoD meetings.

For the independent members, there is provision for remuneration linked to their capacity and duties emanating from their participation in committees.

- ii. Variable Remuneration (additional payments or benefits linked to certain performance criteria or in some cases to other contract-based criteria): they aim at rewarding the individual efficiency of persons mentioned in the above section 1.3 and are based on certain criteria. Currently the Company does not provide any such benefits to the members of the Board of Directors.

- iii. Especially regarding the fees granted to members of the Board of Directors in relation to services rendered towards the Company based on a special relation, such as indicatively an employment contract, such fees are paid under the conditions of articles 99 to 101 of Law 4548/2018 and the relevant legislation that will be in force during the entire term of the present policy.

The Company has no contractual agreements that create unusual obligations in excess of those provided by the law.

2.1.2 Fixed Remuneration

Under the market norms, fixed remuneration has to be competitive so that the Company can attract and maintain the presence of individuals who possess the appropriate capabilities, skills, experience and behavior required by the Company.

The maintenance of such competitiveness is ensured by monitoring the remuneration level in the Company's fields of activities – on Greek or/and European level – via relevant surveys. At the same time via the assessment of the importance of each position, other elements are also taken into account for the determination of the fixed remuneration level such as the academic background and the previous experience of the beneficiary person.

It is aimed that this remuneration is aligned with the market average of a comparable sample as such is depicted in relevant remuneration surveys. Higher remuneration levels may be provided in case of specialized roles with a very strong importance for the operation and development of the Company or may concern cases of exceptional experience and performance.

The fixed remuneration is paid via deposit to a bank account of the persons mentioned in section 1.3 after the deduction of the legally withheld amounts.

2.1.3 Variable Remuneration

Under the concept presented in the current paragraph, the Company does not include any variable part in the remuneration paid to the members of BoD.

However, the Company may reward the performance of the senior management members based on predetermined quantitative and qualitative criteria, both short-term and long-term ones. In case of a decision that approves a variable remuneration scheme then the latter can be linked to both individual performance levels and the course of the Company and Group.

The levels of variable remuneration may be calculated as following:

- i. Based on individual targets which may vary according to the position that is being assessed and the management's expectations. These targets are agreed prior to the commencement of the assessment period. In particular what is assessed is the effectiveness as well as dedication of the subject person to the agreed objectives and targets.
- ii. Operating earnings of the year,
- iii. Corporate initiatives,

- iv. Individual characteristics, leadership abilities, group inspiration, and so forth.

The Company is entitled at each time to further determine the criteria with regard to granting of variable remuneration.

2.1.4 Variable Remuneration Calculation System

Under the concept presented in the current paragraph, the Company does not include any variable part in the remuneration paid towards the BoD members, whereas it has entered into contract-based agreements with the Chairman and the CEO.

However if there is a decision that the persons mentioned in section 1.3 should be rewarded via the granting of variable remuneration, according to their personal performance rates, but also according to the performance of the Company and the units/divisions which they are employed in, the Company must define a certain process with regard to the above decision by taking into account the following:

- i. The Company should determine a calculation method along with the timing and manner of the payment.
- ii. In case of an allocation of shares, a stock option plan could be determined according to the article 113 of Law 4548/2018.
- iii. In case of a decision concerning a variable compensation, then the Company could also make provisions regarding the conditions under which such a payment could be postponed, the duration of postponement and the conditions for recovering the above variable remuneration.

2.2 Prepayment of Fees

The General Meeting of the Company may allow for prepayment of a fee up until the next ordinary general meeting's convocation. The prepayment of a fee is subject to the approval granted by the next ordinary General Meeting.

3. Remuneration Committee

The Board of Directors will establish a three-member Remuneration Committee consisting of non-executive and independent members. An independent and non-executive member of the BoD will be appointed as Chairman of the Committee.

3.1 Duties of the Remuneration Committee

The duties of the Remuneration Committee include the control, revision and update on a regular time basis of the procedures and conditions that govern the remuneration on both the parent and group level, so that these are each time aligned with the corporate targets and the regulatory framework in force. Specifically:

With regard to the executive members of the BoD

- ❖ The submission of proposals to the BoD concerning the fees of each executive member, in case such fees include any variable remuneration, meaning bonus and remuneration based on incentives and granted in the form of distribution of shares.
- ❖ The examination and submission of proposals to the BoD concerning the total amount of the annual variable fees, meaning apart from the salary.
- ❖ The examination and submission of proposals to the BoD and subsequently to the General Meeting (whenever it is required) regarding the offering of stock option plans or the granting of shares.
- ❖ The submission of the proposed performance targets in relation to the variable remuneration of the BoD members or targets linked to stock option plans or distribution of shares.
- ❖ The periodical revision of the salary level of the executive BoD members and of the other contractual terms agreed with the company, including the compensation in case of retirement, as well as the pension related arrangements.
- ❖ The submission of proposals to the BoD concerning any corporate policy linked to fees paid.
- ❖ The examination of the annual remuneration report.
- ❖ The Committee will convene on a regular basis in order to execute effectively its duties. It will also release its operation regulation manual on the Company's website presenting explanations about its role and duties. The corporate governance code should describe the task of the Remuneration Policy and also mention the number of meetings during the year.
- ❖ The Remuneration Committee may request for an external advisor's services and as a result the Committee should be provided with the necessary monetary facilities required for this purpose.

3.2 Fees of non-executive members of the Board of Directors

The fees paid to non-executive members of the BoD are approved by the General Meeting following a relevant proposal made by the Board of Directors. The fees reflect the employment time as well as the range of duties assumed by the above BoD members. The fees do not include any bonus, stock options,

or compensation linked to performance. The BoD determines and also proposes to the shareholders the major annual fees paid to its members, as well as any additional fixed fees for their participation or presidency in the committees of the Board of Directors.

3.3 Disclosure of fees

The remuneration report of the members of Board of Directors should be included in the corporate governance statement of the year and contain the following:

- ❖ The policy and principles of the Company concerning the appointment of the executive members of the BoD.
- ❖ The evaluation method concerning the performance and the calculation of the variable remuneration granted to the members of BoD including the quantitative and qualitative criteria that have been taken into consideration.
- ❖ The main elements of the individual employment and service provision contracts of the members of BoD, including the duration of each contract.
- ❖ The entire fee paid to each BoD member for the services provided to the Company and the affiliated / related companies, analyzed in terms of salary, bonus and compensation due to exit from service. In addition, there should be description of the kind and amount of any other compensation or benefits granted to the members.
- ❖ The number of shares and stock options granted to each senior member of the management during the fiscal year, the vesting date of shares, the date and the strike price of the options, the expiration date as well as the number of stock options that have been exercised at each fiscal year.

4. Disclosure – process for approval / revision of remuneration policy

The present remuneration policy was approved by the General Meeting as of June 18th 2019 and will be in effect for four (4) years beginning from the above approval date.

The present remuneration policy along with the date and voting results of the General Meeting are subject to disclosure requirements and are made available through the Company's website <https://ir.sarantis.gr/> during the entire period of the four years.

Each time where there is a material change in the conditions affecting the granting process of fees provided in the current policy, then the relevant process will be revised and submitted for approval to the next General Meeting of the Company.

Any deviation from the approved remuneration policy is not permitted except for temporary and exceptional cases and also under the condition that such a change is deemed to be necessary for the interests of the entire Company or for ensuring its viability.