

**REMUNERATION POLICY OF THE COMPANY WITH THE TRADE NAME  
"FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL  
SOCIÉTÉ ANONYME"  
AND THE DISTINCTIVE TITLE "FF GROUP"**

**1. INTRODUCTION**

The company with the trade name **"FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIÉTÉ ANONYME"** and the distinctive title "FF GROUP" (hereinafter referred to as "the Company") establishes and applies rules regarding the remuneration of the Members of the Board of Directors, as well as of the Chief Executive Officer or his / her substitute (if there is one) (hereinafter "Remuneration Policy"), factors which contribute to the Company's business strategy and development.

Remuneration Policy aims to maximize the value of the Company by supporting the principles of continuous improvement and development, as well as the commitment to achieving corporate goals. Remuneration Policy also sets out the guidelines that the Human Resources Department should take into account for the Company's optimal remuneration strategy.

This document reflects the Remuneration Policy as approved by the no. 898(968)/27-11-2018 minutes of the Meeting of the Company's Board of Directors and then, updated and presented for approval by the resolution of the Extraordinary General Assembly of the Company's Shareholders dated 20/02/2020, in order to comply with the current regulatory framework in Greece, including the new Law 4548/2018 on the Restructuring of Societe Anonyme Companies, Corporate Governance Law 3016/2002 on Corporate Governance, the best practices of corporate governance and the Company's Articles of Incorporation.

**2. SCOPE OF REMUNERATION POLICY**

This Remuneration Policy, in accordance with article 110 of Law 4548/2018, is established and applies to the Members of the Company's Board of Directors, as well as to the General Manager of the Company or his / her substitute (in case there is one). It should be noted that the time of drafting this Company Remuneration Policy, there is no position of General Manager (or a substitute) in the Company.

**3. REMUNERATION POLICY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GENERAL DIRECTOR OR HIS / HER SUBSTITUTE (IN CASE THERE IS ONE)**

### **3.1. Basic principles**

The Company adopts a remuneration and benefits framework in order to attract new Executives, as well as to motivate and retain capable, qualified and effective Executives (ie Senior Executives, Members of the Board of Directors or not). The Remuneration Policy is based on principles such as:

- Increase of performance
- Competitiveness
- Transparency
- Meritocracy
- Equal Treatment

The Remuneration Policy promotes effective risk management, while being a link between corporate goals and values, the Company's long-term interests, and the values that are set to avoid conflicts of interest or excessive risk taking.

### **3.2. Aims of Remuneration Policy**

The aims of the Remuneration Policy are:

- compliance with the current framework (institutional, regulatory and supervisory)
- attraction, maintenance and motivation of capable Executives
- ensuring a sense of fair compensation reward for Executives
- identification of the Company's executives interests and needs with the Shareholders' interests and needs
- competitiveness of remuneration, while providing appropriate incentives to ensure value creation for the Company, to the benefit of all parties involved (Shareholders, Management, Executives, employees, suppliers, consumers, society).

## **4. FORMULATION AND REVIEW OF REMUNERATION POLICY**

The procedure of approving Remuneration Policy and any amendments thereto is set out in Law 4548/2018, as is in effect. The Company's Remuneration Committee drafts and submits Remuneration Policy for approval to the Company's Board of Directors. When discussing the remuneration of a Member of the Board of Directors, this Member shall not attend or participate in the discussion. After being approved by the Board of Directors, Remuneration Policy is submitted for approval to the General Assembly of the Company's Shareholders.

The Remuneration Committee reviews, at least once a year, the alignment of the Remuneration Policy with the Company's business strategy and, in case of misalignment, recommends amendments to the Remuneration Policy, to the Board of Directors. Every four years (or whenever there is a need for an amendment), after recommendation of the Remuneration Committee, the Board of Directors submits the new Remuneration Policy to the Shareholders for approval. The Company is obliged to submit the Remuneration Policy to the General Assembly for approval, whenever there is a significant change in the conditions under which the current Remuneration Policy was drawn up and, in any event, every four (4) years after its approval.

## **5. REMUNERATION OF NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS AND INDEPENDENT NON-EXECUTIVE MEMBERS**

Remuneration of Non-executive Members and independent Non-Executive Members of the Board of Directors is proportional to the time the Non-Executive members of the Board of Directors spend for the meetings of the Board of Directors and their participation in Committees.

Non-Executive Members (independent or Non-independent) of the Board of Directors receive a basic annual remuneration for their participation in the Board of Directors, for the time they spend on Board meetings, as well as for performing the tasks assigned to them.

Non-Executive (independent and Non-independent) Members may also be paid an additional fixed amount of money, in case of any additional responsibilities or duties, such as joining Committees and taking over the Presidency of any of them.

Remuneration of Non-Executive Members and independent Non-Executive Members of the Board of Directors shall be paid in Euros and is subject to the deductions according to tax and insurance law. The amount payable shall take into account the time required and the participation of each Non-Executive Member in the meetings of the Board of Directors and the Committees.

Non-Executive Members (independent and Non-independent), at the time of drafting of this Remuneration Policy, are not eligible for benefits, pensions or other long-term incentives, while no bonus (except in case there are exceptional circumstances) or stock options or performance-related allowances are provided.

## **6. REMUNERATION OF EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS - STRUCTURE OF REMUNERATION**

Total Remuneration of Executive and Non-Executive Members of the Board of Directors includes fixed parts and is based on a basic annual fee and in addition, to annual fees for joining Committees. Members of the Board of Directors may receive variable remuneration only under exceptional circumstances. The Board of Directors,

after recommendation of the Remuneration Committee, decides on the appropriateness of granting a remuneration due to exceptional circumstances.

At the time of drafting of this Remuneration Policy, the Executive Members of the Company's Board of Directors receive only fixed remuneration.

In particular, at the time of drafting this Remuneration Policy, the Company maintains an active employment contract with the Chief Executive Officer of the Company, the essential elements of which, in accordance with paragraph 1, case g) of Article 111, of Law 4548/2018, are the following:

Employment Contract with Executive Member of the Board of Directors	Contract length	Deadline for warning	Retirement	Contract termination conditions  Payment on contract termination
	Indefinite	No provision	No provision	Each party can notify for termination of the contract with no time restrictions. In case of notification for contract termination on behalf of the Company, a severance pay, according to the law, is owed.

Fixed remuneration of the Members of the Board of Directors is paid in 12 monthly equal installments for each full year of service or proportionally, in any other case. The amounts are subject to insurance and tax deductions.

The total remuneration must be within the limits approved by the Annual Ordinary General Assembly of Shareholders.

### 6.1. Fixed remuneration

Fixed remuneration is structured in order to attract and retain capable Company Executives, who possess the characteristics the Company needs. Competitiveness of remuneration is ensured by monitoring, through regular surveys, of the remuneration of the whole greek market.

The level of fixed remuneration is determined in accordance with the rule of “the appropriate remuneration to the appropriate person for the appropriate role”, taking into account the responsibilities and duties, as well as the knowledge and experience required to fulfill the above expectations, while ensuring that the Company does not

make excessive payments and that, in any event, long-term interests and viability are not being put at risk.

The factors that are taken into account when determining the fixed remuneration of the Members of the Board of Directors are:

- the existing experience
- responsibilities and functional requirements of the job
- the level of responsibility required for the job
- academic background of Executives
- the potential of executives according to their dynamics.
- the importance of the job in the job market
- the balance of wages within the Company
- the need to retain in the Company people with experience, skills and professional abilities
- the economic situation in Greece
- the annual budget of the Company
- current labor legislation
- any specific terms and conditions of the individual employment contract

The aim is that the remuneration provided, safeguards and serves basic principles of Remuneration Policy, such as performance increase, fairness and competitiveness, and at the same time, to promote the long-term viability of the Company, taking into account the performance and capabilities of the Members of the Board of Directors, as well as the remuneration of similar jobs in similar companies in the domestic market, as reflected in relevant pay surveys, so that valuable Executives remain and evolve within the Company and new valuable Executives be attracted.

## **7. EXPENSES**

The Members of the Company's Board of Directors may incur further expenses in order to fulfil their duties, as, indicatively, expenses for travelling, moving, booking hotels, or any other kind of expenses that arise during the fulfilment of their duties, expenses that the company will reimburse, provided that the necessary supporting documents are presented.

Concerning the present Policy, the Remuneration Committee may decide the guidelines and procedures as to the time, the form and the additional details of claim and approval of the expenses.

## **8. DEROGATIONS FROM THE REMUNERATION POLICY**

In exceptional cases, a derogation from the approved Remuneration Policy may be provisionally granted, on the condition that there is a suggestion to the Board of Director by the Remuneration Committee and that it applies only to specific parts of

fixed remuneration, without affecting the principles and criteria of the Remuneration Policy and that this derogation is necessary for a long-term service of the Company's interests or to ensure viability.

## **9. ENTRY INTO FORCE**

The Remuneration Policy shall enter into force after its approval by the Company's General Assembly of Shareholders and shall be effective for the financial years 2020 to 2023, unless the General Assembly decides to amend it within that period.

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