

PREMIA

Properties

REMUNERATION POLICY

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REMUNERATION POLICY Under Articles 110-111, Law 4548/2018	Effective on: 20.11.20
Remuneration & Nominations Committee	Reviewed on: 29.06.2021, 10.12.21 & 4.5.2022
Approval: General Assembly of Shareholders	

1. Introduction

The Remuneration Policy has been formulated under Law 4548/2018; the provisions of Directives 2007/36/EC and 2017/828/EU of the European Parliament and the Council; the new law on Corporate Governance 4706/2020 (effective on 17.7.2021); the Company's Articles of Association and its Rules of Procedure.

This Remuneration Policy (hereinafter the "Policy") has been approved by a General Assembly resolution of 20th November 2020, was amended by an Ordinary General Assembly resolution on 29.06.2021 and subsequently amended as it is today by an Extraordinary General Assembly resolution of 4.05.2022. It is valid for three (3) years, unless there are substantial changes in the conditions under which it has been compiled. In such a case, it will be revised or amended earlier and re-submitted for approval to the next General Assembly. Its implementation, however, is subject to a central and independent internal reassessment of its compliance with the remuneration policies and procedures adopted by the Board, at least once a year.

This Policy has considered relevant best practices for listed companies and the provisions of the Company's Articles of Association and Corporate Governance Code. It also reflects current agreements regarding fees of the members of the Board of Directors (hereinafter the "BoD" or the "Board"), including those of the General Manager/s and corporate executives, per Section 2 hereto.

The following procedure is followed for the Policy's approval and revision: the Remuneration and Nominations Committee (the "Committee") submit proposals to the Board regarding the Policy and the remuneration of persons falling within

its scope. Following these proposals, the Board confirms the Policy. The Policy is then submitted for voting to the General Assembly. Shareholders' vote is binding. In case the Company already has in place a Remuneration Policy that has been approved by the General Assembly and the General Assembly does not approve the proposed new Policy, the Company continues to pay the remuneration to the Board members under the previously approved Policy and submits a revised one for approval by the next General Assembly.

As part of the Committee's entitlement to pronounce a reasoned and independent judgement to the Board, it annually examines whether the Policy is still compatible with the Company's business strategy or amendments should be proposed to the Board. Being responsible for the Policy's implementation, the latter adopts and periodically assesses its general principles.

Any deviation from the approved Remuneration Policy is only allowed temporarily, in exceptional circumstances and provided that, following the Committee's proposal, the Board examines it and finds it necessary for the Company's overall long-term interests and viability.

The Remuneration Policy is published pursuant to the provisions of the law and remains available on the Company's website throughout its duration.

2. Scope

This Policy applies to persons with the following attributes:

- i. Executive and non-executive (including independent) Board members
- ii. General Manager (if any)
- iii. Deputy General Manager (if any)
- iv. Other executives, as defined in International Accounting Standard 24
- v. Executives who carry out risk management or executives who perform audit.

vi. Employees whose total remuneration falls into the same remuneration category as senior management and risk management.

3. Aim

The Remuneration Policy aims at the Company's attunement and compliance with the country's current legislation. It also aims to extensively and transparently update the Company's shareholders, the investing public and its stakeholders on the remuneration in any kind provided to the Company's executives.

In addition, both the Remuneration Policy and in particular the pension policy, are in line with the Company's business strategy, goals, values and interests.

At the same time, it intends to attract competent executives as Board members and to senior management positions, who will contribute to the achievement of the Company's business and strategic goals and generally to its long-term and sustainable growth, by providing a reasonable and fair remuneration.

The Company prefers to adopt a flexible Remuneration Policy that contains main principles and comprehensible provisions, and avoid complex remuneration structures.

4. Scope and Factors for Determining Remuneration

The Policy introduces basic guidelines for managing and paying remuneration to the persons subject to it.

In formulating this Policy, the following have been factored in:

- (a) the Company's overall financial position,
- (b) the Company's wage practices,
- (c) listed companies' market practices,

(d) transparency and the principles of meritocracy, justice and proportionality, depending on the individuals' responsibilities and performance.

(e) avoidance of potential conflicts of interest.

5. Remuneration

The Policy refers to all remuneration paid by the Company to persons subject to it, whose remuneration is monitored by the Remuneration Committee. It includes fixed, variable or other fees, expressed in cash, shares, stock options, or other benefits.

All persons subject to this Policy receive a fixed remuneration. Fixed remuneration is at a reasonable level and depends on the area of expertise and responsibilities of each person, while depending on the possibility of variable remuneration, fixed remuneration represents a sufficiently high percentage of total remuneration to enable the implementation of a flexible variable remuneration policy.

The variable salaries are related to the performance of the persons concerned, are paid to the executive Board members if specific objectives are achieved, always through mechanisms that ensure compliance with Article 13 of Law 4209/2013 requirements. They are directly related to the performance and development of the individuals concerned, and to the Company's financial results, internal value, portfolio value and its overall financial situation.

The Company may grant additional benefits at its discretion and reserves the right to modify or revoke them whenever deemed necessary.

It is noted that the Company's personnel are not allowed to employ personal risk hedging strategies or insurance linked to remuneration or liability to circumvent the risk alignment mechanisms included in the remuneration regulations.

In particular, remuneration of the persons subject to this Policy for services rendered to the Company on a special relationship, such as an employment, project or agency contract, is paid under Articles 99 to 101 of Law 4548/2018 and legislation currently applying throughout this Policy. Board members are already under a fixed-term contract with the Company, with no particular obligations other than those legally mandatory.

5.a. Executive Board Members and executive officers' Remuneration

Fixed Remuneration: directly related to the corporate strategy and goals.

It is paid in any form current legislation allows. The Policy takes into account the Company's wage and working conditions in order to maintain the competitiveness that is necessary to attract, motivate and retain people with consummate skills, significant experience and growth perspective.

Therefore, the Remuneration Policy contributes to the implementation of the corporate strategy, serves the Company's and shareholders' interests, and supports its overall viability.

Variable Remuneration: paid only if specific objectives, annually set by the Board, are achieved and following the Committee's proposal and based on a combination of the person's evaluated performance and the relevant business unit, while in assessing individual performance, both financial and non-financial criteria are taken into account. For any such payment, the Company's financial situation is taken into consideration.

In the context of the preparation of this Remuneration Policy pursuant to Law 4548/18, a stock option programme or other similar incentives may be introduced from 1/1/2021.

Payment of variable fees may be subject to the achievement of certain objectives, typical examples of which are:

- › the acquisition of assets complying with the Company's criteria

- › achieving predetermined profitability, such as the adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA)
- › achieving a specific capitalisation and the Company's Net Asset Value (NAV)
- › attracting significant investors
- › Average return on adjusted equity
- › Loan-to-Value Ratio
- › Weighted average lease term (WALT)
- › Weighted average duration of loan agreements

The possibility of introducing a programme for free shares distribution, per each programme's terms and conditions, to reward executive Board members and corporate executives' performance is also foreseen. Such programmes shall be considered discretionary benefits the Company voluntarily disburses and shall be subject to the Company's right to revoke, modify or abolish at any time, with revocation not affecting acquired rights.

The current free shares distribution programme (hereinafter "the Programme") is as follows:

- (a) origin of shares to dispose: either own shares acquired under par. 3, Article 49 of Law 4548/2018, or new shares through capitalising retained earnings or distributable reserves or share premium.
- (b) The total of the par value of the current programme's shares plus the par value of shares that may be distributed under the share option programme, may not exceed one-tenth (1/10) of the paid-up share capital.

Distributed shares shall be common registered shares with voting rights incorporating all rights, provided in the law and the Company's Articles of Association.

Distribution shall be realised in three rounds:

The 1st round refers to the right of acquiring shares granted to the final beneficiaries from 1.1.2021 to 31.12.2021 upon achieving intermediate goals for year 2021.

The 2nd round refers to the right of acquiring shares granted to the final beneficiaries from 1.1.2022 to 31.12.2022 upon achieving intermediate goals for year 2022.

The 3rd round refers to the right to acquire shares granted to the final beneficiaries from 1.1.2023 to 31.12.2023 upon achieving intermediate objectives for year 2023.

Under the Programme's terms, the shares shall be distributed to final beneficiaries, except to those who may be disqualified from the Programme due to leaving the Company under unfavourable circumstances (Bad Leavers), as follows:

- i. Beneficiaries of the 1st round on 1.7.2024,
- ii. Beneficiaries of the 2nd round on 1.7.2025,
- iii. Beneficiaries of the 3rd round until 1.7.2026.

Those leaving the Programme under unfavourable circumstances (Bad Leavers) shall be disqualified from the Programme and the Company shall be entitled to not proceed with distributing the shares.

Those leaving the Programme under favourable circumstances (Good Leavers) shall still be entitled to those shares, which will have been disposed or shall be disposed within the relevant round of their departure year.

For the sake of the Programme, unfavourable circumstances include the person's voluntary departure from the Company before the end of the Programme without the Company's consent; or the Company terminating its relationship with the Beneficiary during the Programme for just and proper cause, which indicatively includes instances of criminal offense in connection with the relationship or in the exercise of their duties, or the Beneficiary breaching their obligations towards the Company.

For the sake of the Programme, favourable circumstances include the Beneficiary ceasing their association with the Company for any other reason (such as death, retirement, leaving with the Company's consent, etc.)

In any case, beneficiaries, their types and any other term shall be determined by decision of the Company's Board of Directors.

In case of corporate actions (eg merger, spin-off, share capital increase of any kind, including indicatively and not restrictively capitalisation of reserves, receivables, share capital reduction of any kind, or the occurrence of any other corporate action), the Programme's terms may be altered by the Company's Board (at its sole discretion) in such a way that, regardless of the par value adjustment of the Company's share, the Beneficiaries shall still be entitled to a right of equivalent value based on the Programme terms.

Additional Benefits: typical examples include:

- › Company shares offering plans, within the limitations determined by law
- › Accommodation support (rental subsidy or hotel allowance)
- › Company car
- › Company credit card for covering corporate expenses
- › Life insurance

5b. Non-executive Board Members Remuneration

Fixed Remuneration: a main fee is paid to non-executive Board members concerning their participation in the Board meetings and those of the Board's various Committees. This fixed remuneration reflects the time they allocate to their Company duties and responsibilities and the range of the latter.

Varied Remuneration: Independent non-executive members are not entitled to remuneration related to their performance. They do not participate in any benefit plan or incentive scheme and are not granted any additional fees, stock options or any compensation that relates to their performance or duration of their term in the Board, besides the ones described below.

The Company may reimburse business expenses of a reasonable amount borne by non-executive Board members in the performance of their duties. These expenses include, indicatively and not exhaustively, travel and accommodation expenses for participating in Board meetings or other corporate activities, and are reimbursed in accordance with the Company's existing policy on expenses.

A non-executive member of the Board of Directors may be eligible to be included among the beneficiaries of a free shares distribution programme highly exceptionally, following a Board decision and a relevant recommendation by the Nominations and Remuneration Committee, provided they are not an independent Board member and provided they have many years of service in the Company's industry, so as to greatly benefit the Company's performance.

6. Policy Approval and Review Process

Until the approval of the revised Policy by the General Assembly (see Section 1 above), remuneration is paid in accordance with the Policy in force.

Whenever there is a substantial change in circumstances that may affect the remuneration process provided for in this Policy, this Policy shall be reviewed following a proposal of the Committee and submitted for approval to the Company's next General Assembly.

7. Annual Remuneration Report

According to the provisions of Article 112 of Law 4548/2018, the Company's Board of Directors is obliged to prepare a clear and comprehensible Remuneration Report, which contains a complete overview of all remuneration regulated in this policy for the last financial year and at least the minimum information required by the above article, as it applies.

The Annual Remuneration Report is included in the Ordinary General Assembly agenda and submitted for discussion. The shareholders' vote regarding the Remuneration Report is of an advisory nature.

The Annual Remuneration Report is subject to disclosure formalities and remains available on the Company's website for a period of ten (10) years following the General Assembly. Retention of the Remuneration Report on the website for more than a decade is allowed provided that it no longer contains personal data for the members of the Board of Directors under the provisions of the General Data

Protection Regulation of the EU. 2016/679 of the European Parliament and the Council (L 119/1).