

“Stock Awarding (Free Stock Distribution) Plan as Long-Term Reward or Long-Term-Incentive (LTI) of  
“TRADE ESTATES REAL ESTATE INVESTMENT COMPANY”

GENERAL COMMERCIAL REGISTER NUMBER 160110060000

**Description of the Stock Awarding Plan (Free Stock Distribution Program) (LTI)**

**Introduction**

The establishment of the Company’s Stock Awarding Plan is part of a reward scheme for the Company’s senior executives, for their contribution to the achievement of the Company’s medium-long-term objectives and in order to enhance their commitment and dedication.

This Plan (hereinafter as the “Plan”), established under the decision of the General Assembly of Shareholders dated *14.06.2024* is a part of the approved Remuneration Policy.

Subsequently, the following sections of the Plan are analyzed:

- Plan’s Objectives
- Basic Terms of the Plan
- Beneficiaries of the Plan
- Condition for the Activation of the Plan
- Number of shares for distribution
- Stock Grant Procedure
- Other arrangements governing the Plan
- Communication of the Plan
- Other terms

**Plan’s Objectives**

The establishment of a Stock Awarding Plan is part of a broader incentive framework, so that it is integrated in a comprehensive remuneration and benefit package.

Indicatively, the following can be included in the objectives of the Stock Awarding Plan:

- Harmonization of the interests of employees, the Company and its shareholders in order to ensure the creation of value, the avoidance of excessive risk-taking or the orientation to a short-term benefit
- Harmonization of a strong incentive for long-term stay and continuous mobilization in the Company and of its executives
- Focus of executives on achieving medium/long-term goals to increase the value of the Company and not to achieve short-term results.

- Commitment and identification of executives with the Company through the creation of a culture of “executives-shareholders”, contributing to the convergence of both sides.
- Improvement of the Company’s image to the investing public since the holding of a number of shares by executives is promoted as a positive element as it contributes to their long-term commitment to the company, to the improvement of their performance and to the provision of better-quality services.
- Improvement of the Company’s financial results.

#### **Basic Terms of the Plan**

- The Plan’s term commences on 1/1/2024 and ends on 31/12/2028 and as starting date of value creation calculations to the shareholders is determined the 10/11/2023 of listing on the Athens Stock Exchange.
- Until the end of the Plan there will be no new or similar Stock Distribution Plan.
- The Plan shall be governed by the provisions of Article 114 of Law 4548/2018. For the purpose of implementing the Plan, the Company will allocate common new registered shares with voting rights, subject to holding obligations as defined below, which will be issued by capitalization of distributable reserves, based on the provision of Article 114 of Law 4548/2018.
- The common registered shares of the Plan will derive from an increase in share capital that the Company will realize in compliance with the provisions of Law 4548/2018.
- The Plan constitutes a voluntary benefit granted by the Company, which can be modified or unilaterally revoked at any time by it, until the distribution and allocation of the shares, as defined herein. Any such modification or revocation does not in any way constitute a unilateral detrimental change and the beneficiaries will have no claim nor will they reserve any claim against the Company in relation to the Plan in particular.
- The granting of this benefit through this Plan to the beneficiaries in the form of free stock grant is not part of the employment contract between the beneficiary and the Company, nor part of their salary and is therefore not taken into account when calculating any compensation of the beneficiary in the event of termination of their employment contract.

#### **Beneficiaries of the Plan**

The participants (potential beneficiaries) of the Plan are the following: The Plan shall apply to:

- executive members of the Board of Directors of the Company,
- its executive officers holding positions of responsibility with direct reporting to the Company’s Chief Executive Officer, and
- partners who provide services to the Company on an ongoing basis.

The determination of the final beneficiaries of the Plan per year will be determined by decision of the Board of Directors, following a relevant recommendation of the Nomination and Remuneration Committee, after a proposal of the Company's Management.

#### **Condition for the Activation of the Plan**

The maximum total number of free shares of Stock Awarding Plan is defined at the beginning of the Plan and reflects a specific percentage of the total shares of the Company and is distributed (provided the goals are achieved per year or cumulatively) by a ratio of 1/5 per year.

The Plan will be implemented by a decision of the Board of Directors following the approval of the Ordinary General Assembly of 2024, upon its delegation in order to determine the individuals, as well as the number of the shares allocated to each one of them.

The objectives of the Plan must all be achieved in their entirety for the distribution of free shares per year and/or cumulatively (in aggregate).

The start date of the Plan is the 1/1/2024 (with starting date of the value creation calculations to the shareholders on the 10/11/2023) and the end date is the 31/12/2028 (payment of shares after the Announcement of the Annual Results of the Company for the year 2028)

Obligation to hold the shares that may be allocated per year to each beneficiary of the Plan for 12 months from the date of their distribution.

A necessary condition for the distribution of free shares under the Plan is the following:

- The adjusted share price for corporate transactions should be higher than (€1.92) adapted to any corporate actions (adjusted for corporate actions) except for corporate actions linked solely for this purpose; and
- The leverage ratio (Net LTV) will not exceed the 55% at any time. It is stressed that by decision of the Board of Directors this condition may be temporarily suspended, as long as it better serves the interests of the Company.

The decision on the Plan's activation is linked to the Company's performance and the creation of value for the shareholders, taking into account specifically 2 criteria/indicators, the NAV and the FFO. These specific performance criteria focus on the long-term development of the Company and the objectives are demanding but achievable so that the executives shall pay the necessary effort to be required, in order to achieve them. These criteria are the following:

1. NAV year end per year, or at a minimum rate of achievement of at least 97 %, provided the 2nd objective has been achieved by 100%
2. FFO per year, or at a rate of its achievement of at least 95 %, provided the 1st objective has been achieved by 100%

The free shares will be distributed based on the achievement of the entire above-mentioned objectives in each year of the Plan as explained above. Since the above objectives work cumulatively for each year, so the allocation of the shares of the Plan also works cumulatively until its expiration (cumulative).

LTI Objectives (millions of €)

PER YEAR		2024	2025	2026	2027	2028
1 <sup>st</sup>	NAV Year End	318.3	326.7	335.7	350.9	362.9
	97% of NAV Year End	308.8	316.9	325.6	340.4	352.0
2 <sup>nd</sup>	FFO	11.8	10.6	14.3	19.4	21.2
	95% of FFO	11.2	10.1	13.6	18.4	20.1
Cumulatively (*)		2024	2025	2026	2027	2028
1 <sup>st</sup>	NAV Year End		326.7	335.7	350.9	362.9
	97% of NAV Year End		316.9	325.6	340.4	352.0
2 <sup>nd</sup>	FFO		22.40	36.7	56.1	77.3
	95% of FFO		21.28	34.9	53.3	73.4

(\* ) Note: both objectives must be achieved by 100%. However, the Plan may be activated even when the NAV is achieved by 97% or by 95% (at least)

For example:

TERM OF THE PLAN	ACHIEVEMENT OF THE PLAN'S OBJECTIVES	RESULT
Year 1	No	No shares are distributed
Year 2	Yes	Distribution of shares of the years 2 and 1
Year 3	Yes	Distribution of shares of the year 3
Year 4	No	No shares are distributed
Year 5	Yes	Distribution of shares of the years 5 and 4

Clarification: If, for example, in the year 1 the objectives of the Plan are achieved, but the share price is not higher than the Athens Stock Exchange listing price (1,92), defined as a necessary condition, no shares are distributed.

*If in the year 2 the objectives of the Plan are not achieved, but the share price is higher than the Athens Stock Exchange listing price (1,92), defined as a necessary condition, the shares of that year are not distributed, but the condition functions retroactively and the shares of the year 1st are distributed. Correspondingly in the rest of the years as well.*

The objectives to be achieved of all beneficiaries of the Plan's free shares are joint.

#### **Number of shares for distribution**

The maximum total number of shares to be distributed shall constitute up to the 2,58 % of the total number of shares of the Company, i.e. 3.109,640 shares. In each year, the maximum number of shares that may be distributed is 621,928. In case of non- distribution of the maximum number of shares, as defined in the Plan, within the year concerned, the Board of Directors may, by its subsequent decision, distribute by transfer, the undistributed shares of the relevant year (up to the maximum number thereof), the following years and until the end of the Plan.

The number of the shares that will be allocated to each beneficiary will be determined by a decision of the Board of Directors, following a relevant recommendation of the Nomination and Remuneration Committee, after a proposal of the Company's Management. The total amount at the time of the exercise depends on the share price at the said given time.

Only those employees who remain with the Company on the date of the Announcement of the Company's annual results (profit/loss statements) will be entitled to free shares.

If some of the positions of potential beneficiaries are covered during the Plan's term and not at the beginning of this Plan, and if the position coverage period is at least 6 months, then the BoD, upon recommendation of the Nomination and Remuneration Committee, may decide to issue and grant shares of the Plan for that year (it is not entitled to receive shares for previous years of the Plan in which it did not hold a beneficiary position).

#### **Scale for the evaluation of objectives.**

The plan does not provide for an escalation in the number of shares based on the degree of achievement of objectives. Thus, in case of over-achievement of the objectives, there will be no return on a larger number of shares, anticipating a rise in the share's price and thus harmonizing the interests of the shareholders with those of the executives-shareholders.

#### **Stock Grant Procedure**

Once the objectives set for the first year have been achieved and the relevant financial results of 2024 have been announced, the plan is implemented with the relevant decision of the BoD and thus the executive acquires the number of shares he/she/it is entitled to for the first year. This procedure shall

be repeated until the termination of the Plan.

Upon the expiration of each separate period of stock grant, as above, and depending on the implementation of the Plan selected, the Company will proceed with all the procedures provided by law and the stock market legislation for the allocation of the free shares.

#### **Other arrangements governing the Plan**

- i. Termination of a contract without renewal or termination of a Contract for reasons not related to fault of the executive officer (provided that there was good performance, compliance with corporate procedures): if the period has lapsed and relates to a specific cycle, and the potential beneficiary was working with the Company on the date of the announcement of the Company's annual results, then the potential beneficiary shall receive all the shares that the BoD will decide to be allocated to him/her/it for this cycle and his/her/its participation in the Plan shall cease. In the event of voluntary exit, the potential beneficiary shall receive all the shares that the BoD will decide to be allocated to him/her/it for this cycle and his/her/its participation in the Plan shall cease.
- ii. Termination of a contract due to fault of the executive officer: The Plan shall cease to apply to the specific member concerned and the latter shall not be considered as a potential beneficiary.
- iii. Death: For executives who held a potential beneficiary position for at least 6 months within a cycle of the Plan, the Board of Directors will decide, upon recommendation of the Nomination & Remuneration Committee, regarding the allocation of the shares of the specific cycle of the Plan as well as any cumulative shares from previous years to the executive's legal heirs.
- iv. Extraordinary events within the compulsory holding period.

If within the holding period the term of office of a BoD's member and/or the employment contract and/or a paid mandate of the beneficiaries is interrupted or not renewed, at the discretion of the Company, then the shares of the beneficiary shall be released and there is no longer any obligation to hold them.

If extraordinary events that do not result in a change of control (change of control) of the Company take place within the holding period, the Board of Directors shall have the right to examine any relevant application and to waive the obligation to shareholding.

If extraordinary events leading to a change of control ("change of control") of the Company occur within the holding period, the Board of Directors shall have the right to waive the obligation to shareholding.

In any other case, which is not explicitly described above, the above mandatory holding period of the

shares granted shall remain in force.

“Change of control” means the acquisition by a third party (natural or legal) or a group of persons, other than the Holdings Co., directly or indirectly, of the participation percentage or voting rights in the Company by 33% and more or the right to appoint or terminate the majority of the members of the board of Directors of the Company in accordance with the provisions of L. 4308/2014.

### **Communication of the Plan**

For the implementation of the Plan, the Company must provide the beneficiaries with the required information material, in order to be informed about the Plan, the terms and conditions of participation in it, as well as about the necessary documents that will be required in each year of the Plan.

In addition, beneficiaries should be informed about the tax treatment of the Plan and any obligations towards social security institutions in order to be able to understand related opportunities and risks and to make decisions.

### **Notifications**

All notices/notifications addressed to the beneficiaries under the terms of the Plan will be served upon receipt to the beneficiary’s job address or residence address or to the email address which the beneficiaries themselves will communicate to the Board of Directors.

### **Share capital Increase**

The Company will implement the Program, through the dispositions of new shares that will arise through the capitalization of distributive reserves.

The Board of Directors of the Company, in accordance with the explicit authorization granted to it by the General Assembly that decides this Program, will proceed, if required, in any legal act, deed and any other required action for the implementation of the relevant decision of the General Assembly of the company, the determination of the beneficiaries and the distribution of the shares to them, as well as for the listing of the Shares for trading on the Athens Stock Exchange, in accordance with the terms of the existing legislation and subject to the receipt of any required approval from the competent authorities.

### **Other terms**

The granting of this benefit through this Plan to the beneficiaries in the form of free stock grant is not part of the employment contract between the beneficiary and the Company or its affiliated companies withing the meaning of article 32 of L.4308/2014, nor part of their salary and is therefore not taken into account when calculating any compensation of the beneficiary in the event of termination of their employment contract.

Any kind of contributions, deductions, or in general payments arising under tax and/or social security legislation will be regulated by the relevant provisions as applicable at each relevant time.

Any related tax or expense directly or indirectly related to this Plan, regardless of the time it should be paid, shall be borne solely by the beneficiary concerned.

**Governing Law**

The Plan and any issue related to its interpretation shall be governed by Greek law. The courts of Athens will have the exclusive jurisdiction for the resolution of any dispute that may arise.