

REMUNERATION PRINCIPLES OF THE MANAGEMENT, 17 MAY 2023

Fee is paid to the CEO on the basis of the contract of a member of the board. According to the employment contract of the board member of Miko-Ove Niinemäe, who manages Arco Vara AS, a fixed **monthly wage** was established with the resolution of the council, which as at 1 May 2023 is **9,000 euros per month (net)**.

Upon leaving, a **severance compensation amounting to four monthly wages** is prescribed for the CEO.

The aim of the bonus system for the CEO is to motivate the CEO to expand the development activities of the company while ensuring the profitability of the operations for the investors.

As at 1 May 2023, the bonus system for a board member is as follows:

1) The board member is entitled to a monetary bonus of 30,000 euros (net) according to the following terms:

- 1.1. **15,000 euros** if the authorization of the board member is valid on 31 December 2023;
- 1.2. **15,000 euros** if the authorization of the board member is valid on 31 December 2024.

2) The board member is entitled to receive:

- 2.1. **15,000 shares of the company** if the authorization of the board member is valid on 31 December 2023;
- 2.2. **15,000 shares of the company** if the authorization of the board member is valid on 31 December 2024.

3) The board member is entitled to receive **up to 60,000 additional shares of the company** for the price of 0 euros according to the following conditions:

if the total net profit for the financial years of 2023-2025 is ≥ 4 million euros, then the board member is entitled to receive 10,000 to 60,000 shares of the company depending on the specific amount of net profit, wherein 10,000 shares of the company are guaranteed and each 1 euro of net profit exceeding 4 million euros grants an additional 0.0125 shares of the company.

The final number of shares is rounded to the full number (if the number of shares earned is not a full number then the number of shares is rounded down).

Regardless of the amount of net profit, the maximum number of shares of the company that the board member is entitled to receive is 60,000 (including the 10,000 shares of the company guaranteed in case of a net profit of 4 million euros).

4) The board member is entitled to **an additional bonus of up to 60,000 euros (net)** according to the following terms:

if the total net profit for the financial years of 2023-2025 is ≥ 4 million euros, then the board member is entitled to receive a bonus of 10,000 to 60,000 euros depending on the specific amount of net profit, wherein 10,000 euros are guaranteed and each 1 euro of net profit exceeding 4 million euros grants an additional 0.0125 euros. The final amount is rounded to 1 euro (the usual rounding rules apply).

Regardless of the amount of net profit, the maximum amount that the board member is entitled to receive is 60,000 euros (including the 10,000 euros guaranteed in case of a net profit of 4 million euros).

5) If, as at 31 December 2025, the company's

- (i) balance sheet volume exceeds 100 million euros, and
- (ii) equity exceeds 35 million euros, and
- (iii) the net profit for the financial years 2023-2025 exceeds 10 million euros,

then the board member is entitled to receive **100,000 additional shares of the company** for the price of 0 euros.