

Remuneration Policy 2021

LAMDA DEVELOPMENT S.A.

This Remuneration Policy (hereinafter referred to as “Policy”) sets out the framework for the operation of the company under the corporate name “LAMDA Development Holding and Real Estate Development Société Anonyme” (hereinafter the “Company”) regarding the remuneration of the Members of its Board of Directors (hereinafter the “BoD”).

This Policy has been approved by the Shareholders’ General Assembly (hereinafter “G.A.”) of 23rd June 2021 and shall be effective for four (4) years from that date, unless earlier revised and/ or amended by another General Meeting’s resolution. The Company shall submit again the Policy for approval to the General Assembly each time there is a material change of the conditions under which it was prepared, and in any case, every four (4) years from its last approval. The Policy has been prepared in accordance with the EU Shareholder Rights Directive as incorporated into Greek legislation by virtue of L.4548/2018. In addition, the Policy takes into consideration the provisions of the Company’s articles of association, the Company’s corporate governance code and the Company’s Internal Regulation Code.

Scope of Application

This Policy applies to the Company’s Board of Directors. It is noted that there is no General Manager or alternate thereof within the meaning of article 110, paragraph 1 of Law 4548/2018. No provisions of the articles of association require that the aforementioned article and articles 111 and 112 apply also to managing officers, as these are defined in the International Accounting Standard 24, par. 9.

Object

The aim of this Policy is to align the interests of the BoD with those of the Company’s shareholders through a structured and harmonized remuneration policy. The Policy aims to enhance long-term value creation, aligned with business strategy, in order to:

- attract and retain top talent from Greece and abroad;
- prevent or minimize conflicts of interest;
- properly and effectively diagnose and manage risks related to the pursuit of the Company’s business activities in general;
- ensure fair pay.

The Company uses a job grading system based on a globally recognized leading methodology. Based on these grades, the Company conducts pay benchmarking using three peer groups, depending on the role:

1. Large and/ or reputable companies in Greece;
2. Large, listed companies in Europe;
3. Middle East construction and real estate companies.

During the effective term of this Policy, the Company is in a transformation phase, with increasing headcount and complexity. To support the change, this new remuneration policy that includes the newly introduced incentive plans will support the Company’s strategy.

Remuneration Policy applicable to Non-Executive Directors

Non-Executive Directors (NEDs) are appointed for a fixed period of five (5) years (with a possible extension to the following G.A., with a maximum term of six (6) years) and may be reappointed.

The purpose of the Policy is to enable the Company to attract NEDs who (together) adequately combine the following characteristics:

- International experience and backgrounds;
- Skills and experience relevant to the Company’s needs;
- Independency from major shareholders;
- Balanced age profile;

In proposing the NED fee levels, the BoD takes into consideration the European market benchmark.

All Non Executive Directors receive a fixed remuneration for their participation in the BoD meetings and the meetings of its Committees. This remuneration is not linked to the Company’s performance. It is associated with the time spent for the Company as well as the scope of their duties and responsibilities.

NED fees are reviewed on a regular basis, and at least every four years.

Fee levels (in €)

BoD position	Fixed fees
<i>Chair**</i>	<i>220,000</i>
<i>Independent NED</i>	<i>25,000</i>
<i>NED</i>	<i>25,000</i>

***The Chair of the Board is also provided with a company car*

Fees for committee participation (in €)

Committee position	Fixed fees
<i>Audit Chairman</i>	<i>58,000</i>
<i>Audit Member</i>	<i>10,000</i>
<i>Compensation & Nomination Committee Chairman</i>	<i>10,000</i>
<i>Compensation & Nomination Committee Member</i>	<i>-</i>

NEDs are allowed to reimburse documented travel expenses and other company-related expenses incurred.

Remuneration Policy applicable to Executive Directors

Basic principles of the remuneration policy for Executive Directors

The remuneration of the Executive Directors is directly aligned with the strategy and objectives of the Company, with the ultimate goal to create and maintain long-term value for the Company. It also aims to link the total remuneration with individual performance.

The total remuneration package consists of the following components:

- Base salary
- Short-Term Incentive (“STI”), i.e. the “Bonus Plan”
- Long-Term Incentive (“LTI”), i.e. the “Stock Options Plan”
- Benefits.

The Company aims to position “at market” median of respective comparator markets in terms of base salary.

The Company aims to position “above market” median of respective comparator markets in terms of total annual gross pay (base salary + STI / Bonus Plan).

The Company aims to position “top payer” median of respective comparator markets in terms of total annual gross pay + LTI (Stock Options Plan).

The BoD seeks to ensure an appropriate balance between the fixed and variable components of the remuneration and between those aspects of the package linked to short-term financial performance and those aspects linked to longer-term sustainable value creation.

When reviewing the remuneration policy, the BoD uses salary and cost scenario analysis, taking into consideration factors such as the maximum pay-out in case of stretched performance.

Remuneration package elements

Base salary

The policy aims to set base salaries at a market-competitive level taking into account the job grade and relevant experience, required competences, performance of the individual and the Company.

The BoD reviews the base salaries of the Executive Directors and decides whether circumstances justify adjustments. In considering base salary increases, inflation, market-wide increases and average increases for the wider workforce of the Company are used as important reference points in these considerations. Larger increases may be awarded in certain circumstances including where the relevant role has an increase in responsibility.

Short-Term Incentive (STI) i.e. Bonus Plan

Executive Directors receive annual variable remuneration, directly linked to their performance and the performance of the Company (as measured according to strategic and financial objectives, e.g. EBITDA, NAV, Hellinikon Project milestones, etc.).

At the start of each financial year, the Compensation and Nomination Committee determines the performance measures and their weighting for the short-term incentive (bonus plan) based on the Company's business goals and strategic focus for the year. At the end of the financial year, the Compensation and Nomination Committee assesses the Company performance against these targets.

Long-Term Incentive (LTI) i.e. Stock Options Plan

The purpose of the program is to recognize the contribution of the participants to the increase in the value of the Company and to create an "ownership interest" and ultimately, by linking the performance of each participant to the corporate return.

The current Stock Options Plan consists of an Initial Option Award and an Additional Option Award. Both the Initial Award and the Additional Award will be delivered by Options, which after vesting provide the right to buy shares in the Company for the fixed price of € 6,70 (i.e. the exercise price). Each option gives the right to buy one share.

The vesting of the Initial Option Award will partially occur after two (2) years (maximum 50%) and partially after three (3) years (maximum 50%).

The BoD will have the discretionary right to increase/ decrease the number of Initial Options at the vesting date by 20% on an individual basis, without exceeding the maximum available total number of options.

The vesting is based on the future performance of the share price and assuming continuous employment (at the vesting date).

Benefits

The Company operates a Group Pension Plan, consisting of a defined contribution plan. The maximum contribution from the Company is 9% of base salary.

Benefits provided currently include a fueled company car, mobile phone and expenses, and health insurance coverage, depending on the job grade and relevant market benchmarks.

Remuneration of Executive Directors

Currently the CEO is the only Executive Director

Element	Specifics
Base salary	Base salary for the CEO is determined based on the principles as previously described.
Bonus Plan	The CEO receives a short-term incentive, linked primarily to value creation, Hellinikon Project milestones and financial performance of the company. The target amount is defined as 100% of the base salary.
Stock Options Plan	The target amount is defined at a percentage set as 150% of the annual base salary. Payout at the moment of exercise is dependent on the share price at that moment.
Benefits	Benefits for the CEO are determined based on the principles as previously described.

Balance between the CEO's remuneration elements such as base salary, STI and LTI is focused on longer-term sustainable value creation.

In conformity with the L.4548/2018 (art. 111, par 1) it is declared that this Remuneration Policy does not define any claw back clauses related to the suspension of variable remuneration payment of the BoD members, the duration thereof or the conditions for the recovery of variable remuneration by the Company.

Termination & notice period

Employment contracts of Executive Directors are open-ended contracts. Notice periods are set by Greek Labor Law. In the event of early termination of employment and following a relevant proposal of the Compensation and Nomination Committee, the BoD may also consider granting additional severance payment.

Policy approval and revision procedure

This Policy may be revised in order to remain fully aligned with the Company's values and principles. The procedure for submitting the Remuneration Policy for approval by the G.A. is as follows:

- The Compensation and Nomination Committee submits the proposed Remuneration Policy to the BoD for initial approval. If initially approved by the BoD, it is then submitted to the G.A. and put to a vote. The shareholders' vote is binding, while Directors with a shareholder capacity may not participate in the G.A. vote related to the approval of the Policy, nor are they taken into account for the formation of the quorum and the majority. If the G.A. does not approve the proposed Remuneration Policy, the Company will continue paying the same remuneration of Board Members as it was during the previous fiscal year. At the same time, the Company reviews and draws up a new Remuneration Policy taking into account the comments of the shareholders, which it submits for approval to the next G.A.
- After the Remuneration Policy is approved by the G.A., it is posted on the Company's website, including the publication date and the results of the vote and it remains available for as long as it is valid.

Under exceptional circumstances, it is possible to (temporarily) deviate from the remuneration policy until a new remuneration policy has been adopted. The parts that are deviated from and under which (procedural) conditions the deviation has taken place will be explained in the Remuneration Report.

The role of the Compensation and Nomination Committee

The Compensation and Nomination Committee was established in its current composition by BoD resolution dated 14.04.2021 in conformity with the requirements under the new framework of L. 4706/2020 on the Corporate Governance of Sociétés Anonymes.

Without prejudice to articles 109 to 112 of L.4548/2018, the Compensation Committee:

- a) submits its proposals to the BoD on the remuneration policy to be submitted to the General Assembly for approval according to article 110, par. 2 of L. 4548/2018;
- b) submits proposals to the BoD on the remuneration of the persons falling within the scope of the remuneration policy, according to article 110 of L.4548/2018, and on the remuneration of the Top Management of the Company, especially the Head of Internal Audit;
- c) examines the information contained in the final draft of the annual remuneration report, providing its opinion to the BoD before submission of the report to the General Assembly according to article 112 of L.4548/2018.

In addition to the above, the Committee examines, indicatively:

- proposals on the variable remuneration of the Company's Management, and submits its proposals to the BoD regarding the total annual variable remuneration amount of the Company (i.e. excepting base pay),
- proposals from the Company's Management regarding stock option schemes or share award schemes, and submits proposals to the BoD - and through the latter to the General Assembly, whenever necessary,

- performance targets proposed by the Management, and the correlation thereof with the variable remuneration of Executive Directors and Top Management, or the targets linked to stock options or share awards plans, and submits the relevant proposals to the BoD,
- on a regular basis the salaries of the Executive Directors and other terms of their contracts with the Company, including severance pay, in case of exit from the Company, and pension schemes.