



**ASBISc Enterprises Plc
Remuneration Report
2021 – 2020
financial years**

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Introduction

ASBISC Enterprises Plc. (hereinafter referred to – Company, ASBIS) has designed and integrated a Remuneration Policy for Members of Management Board in line with the provisions on remuneration as set out the Public Offer and the Conditions for Introducing Financial Instruments to the Organized Trading System and Public Companies Act which transpose regulations of Directive (EU) 2017/828, dated 16 October 2019.

Following regulations of Directive (EU) 2017/828, the Annual General Meeting of Shareholders of ASBISc Enterprises Plc dated 6 May 2020 approved a new Remuneration Policy for Members of Management Board.

The Remuneration Policy for Members of the Management Board describes the principles for payment of remuneration to the members of the Management Board.

This Remuneration Policy is available at the Company's registered office and on its website <https://investor.asbis.com/remuneration-policy>

The Remuneration Report for each financial year is subject to be assessed by auditors and approved at the Annual General Meeting each year under a separate item on the agenda.

This Remuneration Report provides an overview of the Remuneration Policy for ASBISc Enterprises Plc Management Board and the application thereof in 2021.

Key highlights – 2021 performance

In 2021 ASBIS continued its dynamic-growing mode, showing its strengths and its capacity to deliver, for the second year in a row, the best ever results, despite the unstable situation with the pandemic, turmoil around our regions, product shortages and price increases in many raw materials and finished products.

In 2021 our revenues amounted to USD 3.1 billion - the Company's record-high, which compared to that of 2020 shows an increase of 30%. Earnings per share increased by 110% to USD 138.86 cents.

The profit from operations (EBIT) reached USD 113.7 million and net profit after taxation skyrocketed to USD 77.1 million, another record-breaking, which reflects an excellent year-on-year increase of 111%.

The Management Board delivered on its promise of short-and long-term value creation, by taking important steps towards further execution of ASBIS's growth strategy.

The Company was able to satisfy increased demand for digital transformation and fulfil orders within a specified period. Once again, we have proved that thanks to effective strategy, a quite rich product portfolio and very good relations with vendors we can operate efficiently and flexibly, adjusting to the prevailing market circumstances.

**Summarized overview of ASBIS remuneration policy and application in 2021
/ in thousands USD/**

	Policy summary	Application in 2021
Fixed salary	<ul style="list-style-type: none"> A fixed salary is paid to Executive Directors in 13 equal monthly instalments and to Non-Executive Directors in 12 equal monthly instalments The aim of the fixed salary is to attract and retain the best-qualified members Fixed salary is considered on a regular basis in light of economic climate, market conditions, Company performance, the individual's role, skills and remit, and increases elsewhere in the Company 	<ul style="list-style-type: none"> Fixed salary was paid as follows: <ul style="list-style-type: none"> Siarhei Kostevitch – USD 228, Marios Christou – USD 138, Costas Tziamalis – USD 138, Yuri Ulasovich – USD 43, Julia Prihodko – USD 31, Demos Demou – USD 7, Tasos Panteli – USD 14, Maria Petridou – USD 11.
Incentive pay	<ul style="list-style-type: none"> Incentive pay is based on performance criteria and it is in line with the business strategy, market condition and the specific environment in which the Company operates. Incentive pay is paid only if it is sustainable according to the financial situation of the Company as a whole and justified according to the performance of the business unit, the fund and the individual concerned At the target level: <ul style="list-style-type: none"> quarterly financial, non-financial and personal objectives, paid up to around 7% of the Chief Executive Officer's total pay and up to 5% of the Chief Risk Management Officer's and Chief Finance Officer's total pay, Net profit bonus - calculated as % from achieved NP target. The maximum level is up to 11% of the Chief Risk Management Officer's and Chief Finance Officer's total pay, Net Profit commissions - calculated as % from Profit after Tax. The maximum level is up to approximately 44% of the Chief Executive Officer's total pay. 	<p>Applicable criteria and their weight:</p> <ul style="list-style-type: none"> financial results: 100% non-financial targets: not quantified personal objectives: not quantified <p>Actual pay-out was as follows:</p> <ul style="list-style-type: none"> Siarhei Kostevitch – USD 851, Marios Christou – USD 115, Costas Tziamalis – USD 120, Yuri Ulasovich – USD 4, Julia Prihodko – USD 20.
Provident Fund	<ul style="list-style-type: none"> The members of the Management Board are not entitled to any pension contributions however they participate in the Employees' Provident Fund. 	<p>Provident Fund was paid as follows:</p> <ul style="list-style-type: none"> Siarhei Kostevitch – USD 7, Marios Christou – USD 4, Costas Tziamalis – USD 4

		<ul style="list-style-type: none"> - Yuri Ulasovich – USD 1 - Julia Prihodko – USD 1.
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Application of Remuneration Policy in 2021

Fixed salary

The fixed salary for the members of the Management Board is determined by the Remuneration Committee.

The base salaries for the members of the Management Board in 2021 increased as compared to 2020 due to years of dedicated service, outstanding financial performance of the Company over the last 5 years and employment market conditions.

Annual fixed salary for the management board /in thousands USD/		
	2021	2020
Siarhei Kostevitch	228	138
Marios Christou	138	90
Costas Tziamalis	138	90
Yuri Ulasovich*	43	135
Julia Prihodko*	31	-
Demos Demou*	7	14
Tasos Panteli	14	14
Maria Petridou*	11	-

*** In 2021 there were the following changes in Executive and Non-Executive Directors:**

- Executive directors:

- Yuri Ulasovich stopped being an executive director from May 5th, 2021

- Julia Prihodko became an executive director from May 7th, 2021

- Non-executive directors (NED):

- Demos Demou stopped being a NED from May 5th, 2021

- Maria Petridou became a NED from March 29th, 2021

Incentive pay

The objective of the Management Board incentive pay is to ensure that its members' priorities define short-term operational objectives, leading to longer-term value creation.

The incentive pay consists of a (potential) cash bonus payment, depending on achievements concerning pre-set targets:

- a) financial ("Net Profit After Tax" and "Cash From Operating Activities") and
- b) non-financial and personal objectives, which are consistent with the Company's strategy and aligned with shareholders' interests for the Chief Executive Officer, Chief Risk Management Officer and Chief Finance Officer.

Incentive pay for the management board /in thousands USD/		
	2021	2020
Siarhei Kostevitch	851	367
Marios Christou	115	7
Costas Tziamalis	120	7
Yuri Ulasovich	4	-
Julia Prihodko	20	-

On an annual basis, the Remuneration Committee selects financial and non-financial targets for the Management Board. In selecting these targets, the Remuneration Committee takes into account analysts' forecasts, economic conditions and the Committee's expectation of performance over the relevant period.

Incentive pay criteria for 2021

The following table shows the selected criteria, their weight and the performance ranges that applied to the 2021 incentive pay:

Criteria	Performance thresholds	Total weight
Non-financial criteria	Performance and pay-out is assessed by the Remuneration Committee per individual criteria	not quantified

Personal objectives	Performance and pay-out is assessed by the Remuneration Committee per individual criteria	not quantified
Financial results	<p><i>Net Profit after Tax:</i> Minimum target – USD 71 m Maximum target – USD 74 m</p> <p><i>Cash From Operating Activities:</i> Generate a positive amount for 2021 from “Cash From Operating Activities”.</p>	100%

The financial results in 2021 exceeded the maximum level, hence the full amount (i.e., 100%) of the total incentive pay was awarded for this component.

In conclusion, the total incentive pay for 2021 granted to the Chief Executive Officer, the Chief Risk Management Officer, the Chief Finance Officer, the Chief Human Relations Officer and the Chief Operating Officer amounted to 100% of the maximum opportunity. This resulted in a gross cash bonus payment of USD 851 to the Chief Executive Officer, USD 120 to the Deputy CEO of Asbis Group, USD 115 to the Chief Finance Officer, USD 20 to the Chief Human Relations Officer and USD 4 to the Chief Operating Officer.

Pensions and other benefits

Benefits

To provide a market competitive remuneration package, a number of work-related benefits are available to the Executive Directors. In addition to the fixed and incentive pay, the Company offers a range of benefits including:

- Car;
- Phone;
- Rent house;
- Medical Insurance.

Employees Provident Fund

The Employees' Provident Fund is the main scheme under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The scheme is managed under the aegis of the Employees' Provident Fund Organization. Certain members of the Management Board also participate in the Employees' Provident Fund.

A contribution is payable by each employee (the employee has the option to contribute 3%, 5% or 10%). The Company also contributes 3% on employees' fixed salary. The benefits from the Provident Fund can only be paid to any member of such fund or to the legitimate heirs of the member:

- In case of retirement;
- In case the member becomes permanently incapable for work;
- In case of death of the member;
- In case of termination of employment of the member;
- In case of dissolution of the fund.

Pension

The members of the Management Board are not entitled to any pension contributions in addition to the fixed annual remuneration and Provident Fund contributions.

The table below presents information on performance criteria and its application in 2021

Name of director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets		4 a) Measured performance and b) actual award outcome
			a) Minimum target/threshold performance and b) corresponding award	a) Maximum/target performance and b) corresponding award	
Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer)	Income Statement: NPAT		a) 71M\$	a) 74M\$	a) 77m\$
			b) 710 000 \$	b) 740 000 \$	b) 851 000 \$
	Cash Flow: Cash From Operating Activities ("CFO")		a) positive "CFO"	a) not quantified	a) +41 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
b) not applicable			b) not applicable	b) not applicable	
Marios Christou, Executive (Chief Financial Officer)	Income Statement: NPAT		a) 71M\$	a) 74M\$	a) 77m\$
			b) 142 000\$	b) 148 000\$	b) 115 000\$
	Cash Flow: Cash From Operating Activities		a) positive "CFO"	a) not quantified	a) +41 M\$
			b) not applicable	b) not applicable	b) not applicable
			a) not quantified	a) not quantified	a) not quantified

	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		b) not applicable	b) not applicable	b) not applicable
Costas Tziamalis, Executive (Deputy CEO of ASBIS Group)	Income Statement: NPAT		a) 71M\$	a) 74M\$	a) 77m\$
			b) 142 000\$	b) 148 000\$	b) 120 000\$
	Cash Flow: Cash From Operating Activities		a) positive "CFO"	a) not quantified	a) +41 M\$
			b) not applicable	b) not applicable	b) not applicable
Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified	
		b) not applicable	b) not applicable	b) not applicable	
Julia Prihodko Executive (Chief Human Relations Officer)	Income Statement: NPAT		a) 71M\$	a) 74M\$	a) 77m\$
			b) not applicable	b) not applicable	b) 20 000\$
	Cash Flow: Cash From Operating Activities		a) positive "CFO"	a) not quantified	a) +41 M\$
			b) not applicable	b) not applicable	b) not applicable
Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified	
		b) not applicable	b) not applicable	b) not applicable	
Yuri Ulasovich, Executive (Chief Operating Officer)	Income Statement: NPAT		a) 71M\$	a) 74M\$	a) 77m\$
			b) not applicable	b) not applicable	b) 4 000\$
	Cash Flow: Cash From Operating Activities		a) positive "CFO"	a) not quantified	a) +41 M\$
			b) not applicable	b) not applicable	b) not applicable
Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified	
		b) not applicable	b) not applicable	b) not applicable	

The table below presents information on performance criteria and its application
in 2020 –

Name of director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets		4 a) Measured performance and b) actual award outcome
			a) Minimum target/threshold performance and b) corresponding award	a) Maximum/target performance and b) corresponding award	
Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer)	Income Statement: NPAT		a) 23M\$	a) 25M\$	a) 36.5m\$
			b) 345 000 \$	b) 375 000 \$	b) 367 000 \$
	Cash Flow: Cash From Operating Activities ("CFO")		a) Not quantified	a) not quantified	a) +42 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable
Marios Christou, Executive (Chief Financial Officer)	Income Statement: NPAT		a) 23M\$	a) 25M\$	a) 36.5m\$
			b) not applicable	b) not applicable	b) not applicable
	Cash Flow: Cash From Operating Activities		a) Not quantified	a) not quantified	a) +42 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable
Costas Tziamalis, Executive (Deputy CEO of ASBIS Group)	Income Statement: NPAT		a) 23M\$	a) 25M\$	a) 36.5m\$
			b) not applicable	b) not applicable	b) not applicable
	Cash Flow: Cash From Operating Activities		a) Not quantified	a) not quantified	a) +42 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable
Yuri Ulasovich, Executive (Chief Operating Officer)	Income Statement: NPAT		a) 23M\$	a) 25M\$	a) 36.5m\$
			b) not applicable	b) not applicable	b) not applicable
	Cash Flow: Cash From Operating Activities		a) Not quantified	a) not quantified	a) +42 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable

Total remuneration for directors paid in 2021 and 2020

The following table summarizes the remuneration of ASBIS Management Board members in the financial years 2021 and 2020.

Name of the director, Position	Year	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Provident Fund	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Basic	Fees	Fringe benefits	One-year variable	Multi-year variable				
Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer)	2020	138			367		15	4	524	26%/74%
	2021	228			851		0	7	1086	21%/79%
Marios Christou, Executive (Chief Financial Officer)	2020	90			7		61	3	161	56%/44%
	2021	138			115		0	4	257	54%/46%
Costas Tziamalīs, Executive (Deputy CEO of ASBIS Group)	2020	90			7		61	3	161	56%/44%
	2021	138			120		0	4	262	53%/47%
Yuri Ulasovich, Executive (Chief Operating Officer)	2020	135			0		61	4	201	67%/32%
	2021	43			4		0	1	48	90%/10%
Demos Demou, Non-executive (Non-executive Director)	2020	14			0		0	0	14	only fixed
	2021	7					0	0	7	only fixed
Tasos Panteli, Non-executive (Non-executive Director)	2020	14			0		0	0	14	only fixed
	2021	14			0		0	0	14	only fixed
Julia Prihodko, Executive (Chief Human Relations Officer)	2020									
	2021	31			20		0	1	52	60%/40%
Maria Petridou, Non-executive (Non-executive Director)	2020									
	2021	11			0		0	0	11	only fixed

Share-based remuneration

Share-based remuneration is not applied by ASBIS.

Comparative information on the change of remuneration and Company performance

The annual change of remuneration of ASBIS's Management Board, the performance of the Company and the average remuneration of ASBIS are presented in the below table in a comparative manner for the last five reported financial years (RFY).

	RFY2017 vs RFY2016	RFY2018 vs RFY2017	RFY2019 vs RFY2018	RFY2020 vs RFY2019	RFY2021 vs RFY2020
Directors remuneration					
Siarhei Kostevitch, Chairman, executive (Chief Executive Officer)	6%	135%	-23%	55%	107%
Marios Christou, executive (Chief Financial Officer)	3%	54%	-3%	66%	60%
Costas Tziamalis, executive (Deputy CEO of ASBIS Group)	2%	59%	-4%	66%	63%
Yuri Ulasovich, executive (Chief Operating Officer)	2%	10%	-5%	49%	-76%
Julia Prihodko, executive, (Chief Human Relations Officer)					100%
Chris Pavlou, non-executive (Non-executive Director)	0%	0%	-100%	-	-
Demos Demou, non-executive (Non-executive Director)	0%	0%	100%	40%	-50%
Tasos Panteli, non-executive (Non-executive Director)				40%	0%
Maria Petridou, non-executive (Non-executive Director)					100%
Total	4%	76%	-12%	57%	63%
Company Performance					
Finance metric A - Income Statement: Profit for the year	49%	74%	27%	140%	111%
Finance metric B - Cash Flow: Cash from Operating Activities	346%	-127%	358%	43%	-2%
Non-finance metric C - compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)					
Average remuneration on a full-time equivalent basis of employees					
Employees of the Company	13%	11%	3%	20%	8%
Employees of the Group	11%	7%	9%	6%	17%

Derogations and deviations from the Remuneration Policy and the procedure for its implementation

In 2021, the application of the Remuneration Policy for the Management Board was consistent with the policies included therein. No deviation or derogation took place.

Any use of the right to reclaim

During the reported financial year, the variable remuneration has not been reclaimed.

Information on shareholder vote

The Annual General Meeting of Shareholders of ASBISc Enterprises Plc held on the 5th of May 2021, approved a Remuneration Report of ASBISc Enterprises Plc for the year ended 31 December 2020 with the following voting result:

A number of shares for which valid votes were cast: 23,276,687 which constituted 41.9% of the share capital.

The following number of votes were cast with respect to the resolution:

- a total number of valid votes: 23,276,687;
- votes “in favor” of the resolution: 23,257,856;
- votes “against” the resolution: 18,831;
- “abstaining” votes: 0

Signatures:

.....
 Siarhei Kostevitch
 Chairman, Chief Executive Officer
 Member of the Board of Directors

.....
 Marios Christou
 Chief Financial Officer
 Member of the Board of Directors

.....
Constantinos Tziamalis
Deputy CEO of ASBIS Group
Member of the Board of Directors

.....
Julia Prihodko
Chief Human Relations Officer
Member of the Board of Directors