

**REMUNERATION POLICY - HARVEST TECHNOLOGY p.l.c.  
(C 63276) (the "Company")**

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**1. INTRODUCTION:**

- 1.1. Following the transposition of the EU Shareholder Rights Directive II<sup>1</sup> into the Listing Rules in July 2019, which, among other objectives, seeks to enhance shareholder engagement and encourage listed entities to adopt a long-term and sustainable view in the conduct of its affairs, the Company has formulated its formal remuneration policy (the "**Remuneration Policy**") as required in terms of Listing Rule 12.26.
- 1.2. The Remuneration Policy of the Company is intended to provide an overarching framework that establishes the principles and parameters to be applied in determining the remuneration to be paid to: any member of the Board of Directors of the Company; and the Chief Executive Officer (CEO) of the Company.
- 1.3. The Remuneration Policy is also intended to demonstrate how the remuneration that may be paid to Directors and the CEO contributes to the development and attainment of the Company's corporate strategy and its long-term interests and sustainability.
- 1.4. For the purpose of this Remuneration Statement, the term "Group" means the Company and any of its subsidiary undertakings.<sup>2</sup>

**2. FIXED AND VARIABLE REMUNERATION**

Directors

- 2.1. The remuneration payable to Directors of the Company shall consist of a fixed remuneration, and shall not include any variable remuneration component based on any performance indicators.
- 2.2. In addition to their fixed remuneration, Directors who are also appointed to chair, or to sit as members of, one or more of the committees of the Company, or who are asked to serve as directors and, or chair of the board of subsidiaries of the Company, may be entitled to receive additional compensation, as shall

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<sup>1</sup> (EU) Directive 2017/828 of the European Parliament and of the Council of 17 May 2017, amending Directive 2007/36/EC, as regards the encouragement of long-term shareholder engagement.

<sup>2</sup> The term "*subsidiary undertaking*" shall have the same meaning ascribed to it under Article 2 (2) of the Companies Act.

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be determined by the Board of Directors from time to time, provided that such additional remuneration shall form part of the aggregate emoluments of Directors as approved by the general meeting of the Company. The basis upon which such additional remuneration is paid shall take into account the skills, competencies, and technical knowledge that members of such committees require and the respective functions, duties and responsibilities attaching to membership of such committees.

- 2.3. In view of the management and organisational set-up of the Group, and the fact that the main assets of the Company are its investments in its operating subsidiaries and other associates, the Board of Directors considers a fixed remuneration to be appropriate and suitable basis of remuneration for Directors in the performance of their duties.

#### CEO

- 2.4. The CEO is entitled to a fixed based salary together with a variable discretionary performance bonus, based on a pre-defined percentage of the audited consolidated net profit before taxation of the Company. Such bonus scheme is driven by the crucial role of the CEO in the oversight of the day-to-day business, and the growth of, the Company and its subsidiaries.
- 2.5. The variable performance bonus entitlement is computed on the basis of a pre-set percentage of net profit before tax.

#### Basis upon which fixed remuneration is established

- 2.6. In determining the fixed remuneration component payable to the Directors and the CEO, the following key factors, among others, shall be taken into consideration:
- i. the minimum amount of working hours that individuals are expected to dedicate to their functions, duties and responsibilities, including express expectations that such individuals are expected to be fully dedicated to their position and to duly discharge their functions and responsibilities outside normal working hours, including, where applicable, weekends and public holidays;
  - ii. the level of competencies, knowledge, skills, abilities, experience and expertise enjoyed by such individuals;
  - iii. the level of responsibility attached to their position and the multiplicity of roles or involvements in the Company and other companies forming party of the Group, including involvements in any standing or *ad-hoc* sub-committees of the Company;
  - iv. any restrictions on secondary employment and involvements in other business activities or other activities, which restrictions are intended to



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ensure that such individuals are able to devote the required time, attention and dedication towards their position, and to maximise the contribution of such individuals towards to the growth and development of the Company;

- v. the longevity of the individual's employment with the Company, or with other companies forming part of the Group and the individual's contribution to the growth and success of the Group and, or the individual's role in the successful implementation of material projects or new or materially improved product or service offerings that have contributed to the Group's development, repute and, or financial performance and position;
- vi. remuneration practices adopted by local and international companies operating in the same industry sectors of like standing, repute, size and complexity; and
- vii. the relationship with the variable component, if any, of the fixed remuneration component.

### **3. SHARE-BASED REMUNERATION**

- 3.1. The policy of the Company is not to award any share options or any other deferred compensation, or pension benefits.

### **4. OTHER BENEFITS AWARDED TO THE DIRECTORS**

- 4.1. The Company may pay out fringe benefits, comprising of medical and life insurance (subject, however, to a commercially reasonable capping on the premium payable), as well as mobile and internet connectivity data, at the expense of the Company.
- 4.2. In addition, the CEO shall be entitled to a fully expensed mobile phone and laptop.

### **5. CONTRACTS SUBSISTING BETWEEN THE COMPANY AND ITS DIRECTORS**

- 5.1. The Company shall endeavour to enter into written service contracts with its Directors, which contracts shall clearly set out, as a minimum, the respective role, responsibilities, duties and applicable remuneration of each Director, as well as the applicable term for which the Directors shall be engaged, which term shall be in accordance with the provisions of the Articles of Association of the Company regulating the appointment of directors of the Company.

- 5.2. The policy of the Company is not to grant Directors any entitlement to termination payments and other payments linked to early termination.



## 6. IMPLEMENTATION AND REVIEW OF THE COMPANY'S REMUNERATION POLICY

- 6.1. Whereas the Board of Directors of the Company is responsible for determining the Remuneration Policy of the Company, the Remuneration and Nominations Committee, acting in its function as Remuneration Committee, is, in turn, responsible for overseeing and monitoring its implementation and the ongoing review thereof. The exact role and functions of the Remuneration Committee *vis-à-vis* the Remuneration Policy of the Company is described in further detail in the terms of reference of the Remuneration Committee.
- 6.2. In formulating the Remuneration Policy, the Board of Directors is guided by the Remuneration Committee, including but not limited to recommendations intended to ensure that remuneration is in line with market standards and is well suited to attract, retain and motivate individuals to contribute to the long-term success and development of the Company and of the Group.
- 6.3. In evaluating whether it is necessary or beneficial to supplement or otherwise alter the Remuneration Policy of the Company, the Remuneration Committee have regard to, *inter alia*, best industry and market practice on remuneration, the remuneration policies adopted by companies operating in the same industry sectors, as well as legal and, or statutory rules, recommendations or guidelines on remuneration, including but not limited to the Code of Principles of Good Corporate Governance.
- 6.4. Whilst members of the Remuneration Committee may be present while his/her remuneration as a Director or other officer of the Company and, or of any other company forming part of the Group, is being discussed at a meeting of such Committee, and decision taken by the Committee in this respect shall be subject to the approval of the Board of Directors. At a meeting of the Board of Directors, no Director may be present while his/her remuneration as a Director or other officer of the Company and, or of any other company forming part of the Group, is being discussed.
- 6.5. Insofar as the Directors are concerned, the aggregate emoluments that may be paid to Directors in any one financial year shall be as determined by the Company in the general meeting in accordance with Article 21.1 of the Articles of Association of the Company. Accordingly, it is the shareholders that determine the aggregate amount of remuneration that Directors may receive in any one financial year. This Remuneration Policy, therefore, is, therefore,

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intended to determine the principles and parameters upon which the aggregate emoluments that may be paid to Directors, as approved by the general meeting, are distributed amongst the Directors.



- 6.6. This Remuneration Policy shall be reviewed regularly, and any material amendments thereto shall be submitted to a vote by the annual general meeting of the Company before adoption, and in any case at least every four (4) years.
- 6.7. Where the Remuneration Policy shall be approved by the shareholders as aforesaid, the Company intends, as from the financial year ended 31 December 2020, to present an annual remuneration report in the form as required under Appendix 12.1 of the Listing Rules, which remuneration report shall be put forward to an advisory vote of the shareholders at such Annual General Meetings held after 31 December 2020, in accordance with the requirements of Listing Rule 12.26L.
- 6.8. The Remuneration Policy of the Company shall be available on the Company's website on <https://www.harvest.tech>

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