

## SCHEME

for granting remuneration in shares to the Members of the Board of  
Directors

[in force as of 13.12.2022]

[last amended as of 02.06.2025]

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

# Content

## SCHEME .....

<u>§1.</u>	<u>DEFINITIONS AND INTERPRETATION</u> .....
<u>§2.</u>	<u>GENERAL PROVISIONS</u> .....
<u>§3.</u>	<u>AIMS</u> .....
<u>§4.</u>	<u>VARIABLE REMUNERATION</u> .....
<u>§5.</u>	<u>BASIC OPTIONS</u> .....
<u>§6.</u>	<u>RESERVE OPTIONS</u> .....
<u>§7.</u>	<u>PRIORITY</u> .....
<u>§8.</u>	<u>LIMITATIONS</u> .....
<u>§9.</u>	<u>CRITERIA FOR ACHIEVED RESULTS</u> .....
<u>§10.</u>	<u>QUARTERLY AVERAGE PRICE</u> .....
<u>§11.</u>	<u>ANNUAL REVENUE</u> .....
<u>§12.</u>	<u>NON-FINANCIAL CRITERIA</u> .....
<u>§13.</u>	<u>GRANTING OF OPTIONS</u> .....
<u>§14.</u>	<u>PROCEDURE OF EXERCISE OF GRANTED OPTIONS</u> .....
<u>§15.</u>	<u>GRANTING OF SHARES</u> .....
<u>§16.</u>	<u>TRANSFORMATION INTO FINANCIAL OBLIGATION</u> .....
<u>§17.</u>	<u>CONDITIONS FOR RETENTION OF SHARES</u> .....

## APPENDIX 1 .....

<u>§1.</u>	<u>BASIC OPTIONS</u> .....
<u>§2.</u>	<u>RESERVE OPTIONS</u> .....

## APPENDIX 2 – EXAMPLE CALCULATIONS .....

<u>§1.</u>	<u>PURPOSE</u> .....
<u>§2.</u>	<u>EXAMPLE PACKAGE OF OPTIONS</u> .....
<u>§3.</u>	<u>EXAMPLES</u> .....

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

## SCHEME

### §1. Definitions and interpretation

§1.1. Wherever used in this Scheme the following terms shall have the definitions set out opposite:

"Remuneration in shares" ..... means variable remuneration which is additional to the Basic remuneration of a Director, the amount of which is dependent on the extent to which the Director's specific performance meets predetermined criteria and which remuneration is granted in the form of an option to acquire existing shares owned by the Company or rights to subscribe for new shares in the capital of the Company under the terms of this Scheme;

"Annual Revenue" ..... means the annual consolidated Revenue of the Company as defined in §11

"Company" ..... "ALLTERCO" JSCo, joint stock company incorporated and operating under Bulgarian law, registered at the Trade Register and the Register on non-profit entities under UIC 201047670;

"Basic target" ..... has the meaning given according §10.4;

"Basic option" ..... has the meaning given according §10.45;

"Performance period" ..... means the duration of this Scheme and covers the period as from 01.1.2022 until 31.12.2025;

"Reserve target" ..... has the meaning given according §11.2;

"Reserve option" ..... has the meaning given according §10.46;

"Scheme" ..... means this document.

§1.2. Unless the context otherwise requires, "shares" shall mean ordinary, registered, dematerialised shares in the capital of "ALLTERCO" JSCo with ISIN BG1100003166 and stock exchange code A4L and the phrase "grant of remuneration in shares" or, in short, "grant of shares" shall mean the grant of an option to acquire existing shares owned by the Company or rights to subscribe for new shares in the capital of the Company.

§1.3. Unless the context otherwise requires, "director" or "directors" shall mean the executive members of the Board of Directors of the Company.

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

§1.4. In cases where, pursuant to this Scheme, for the purposes of the calculations, it is necessary to convert EUR into BGN or vice versa, the official exchange rate of the BNB on the relevant date for the calculation shall be used for the calculations

## §2. General provisions

§2.1. This Scheme for granting remuneration in shares to the Executive Members of the Board of Directors of the Company shall apply for the period from 2022 to 2025.

§2.2. This Scheme has been prepared in accordance with the Remuneration Policy, effective from 28 June 2021, together with any amendments and supplements thereto and the statutory requirements.

§2.3. In preparing the Scheme, account has been taken of both the long-term development plans of the Company and the Group of which the Company is a part and the immediate economic interests of the Company's shareholders during the period of application of the Scheme.

§2.4. The Scheme sets out comprehensive performance criteria for Directors, as the set incentives for performance are aimed at sustainable and long-term value creation.

§2.5. In determining the remuneration under this Scheme and the terms of its grant, account has been taken of the external environment in which the Company operates and competitive market practice.

§2.6. The combination of vesting criteria for the exercise of options granted under this Scheme is intended to provide an optimal balance between the long-term and short-term objectives of the Company which is in the interests of the Company, its shareholders and other stakeholders.

## §3. Aims

The Scheme aims to:

- (i) provide additional incentive to the Directors in discharging their corporate responsibilities;
- (ii) ensure personal commitment of the Directors to the long-term objectives and interests of the Company, shareholders, customers and other stakeholders;
- (iii) attract and retain Directors with diverse international management experience, strong management skills and the ability to execute the Company's development strategy;
- (iv) drive the achievement of selected financial and operational key performance indicators (KPIs) and personal objectives that are directly linked to the Company's business strategy;
- (v) provide remuneration structures and levels that are competitive in the relevant labour market;

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

- (vi) motivate the achievement of outstanding performance using a combination of non-financial and financial performance indicators.

#### **§4. Variable remuneration**

4.1. This Scheme provides for the grant of share-based remuneration solely in the form of a conditional option package consisting of the following types of conditional options:

- (i) Basic options.
- (ii) Reserve options.

4.2. The specific number of Shares in respect of which Basic Options and Reserve Options are granted to the relevant Director shall be determined by the General Meeting of Shareholders by the resolution to grant variable remuneration to that Director, subject to the rules and restrictions set out in this Scheme.

#### **§5. Basic options**

A Basic Option is an Option the exercise condition of which includes the achievement of a financial criterion based on the Quarterly Average Price of the Share during one of a number of alternatively defined reference dates (see §10) and at least one of non-financial criteria.

#### **§6. Reserve options**

**§6.1.** The Reserve option is one that is provided in combination with the Basic options. The conditions for the exercise of each Reserve option are of two types:

- (i) Positive: includes the achievement of a criterion based on Annual Revenue during the relevant reference period (see §11) and execution of at least one non-financial criteria;
- (ii) Negative: during the same reference period, none of the conditions for the exercise of any of the Basic options in combination with which the Reserve option is granted, to be fulfilled.

**§6.2.** The essence of the Reserve options is to provide a fair remuneration for the Director in a hypothesis where the share price has not been affected, although the Director has achieved the set financial and non-financial criteria, due to current market conditions or other reasons beyond the control of the Director and/or the Company, thereby encouraging the performance of the Director to develop sustainably and increase the value of the Company over the long term.

#### **§7. Priority**

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

In view of the Company's development strategy and, in particular, to grow of the share price and increasing the value of the Company to its investors, this Scheme gives priority to the Basic Options over the Reserve Options pursuant to which:

(i) the satisfaction of the Basic Target by one of the alternatively specified reference dates shall preclude the satisfaction of the conditions under the Reserve Option for the Reference Period in which the relevant reference date falls; and

(ii) the vesting of a Reserve Option results in the exhaustion (see §14.2) of the same number of shares of the following Basic Option.

## §8. Limitations

§8.1. The maximum number of shares for which Basic options may be granted under this Scheme, in aggregate for all directors, for its entire duration, is 890,250

§8.2. The maximum number of shares for which Basic options may be granted to one director may not exceed  $\frac{3}{4}$  (three-quarters) of the maximum number of shares applicable to all directors under §8.1. **Error! Reference source not found..**

§8.3. The total number of shares for which Reserve options are granted to one Director may not exceed  $\frac{1}{2}$  (one-half) of the total number of shares for which Basic options are granted to that Director.

§8.4. The total number of shares which a director may ultimately receive as a result of the exercise of the options (basic and reserve) granted to him under this scheme shall in no event exceed the total number of shares in respect of which Basic options have been granted to him.

§8.5. The bundle of Basic and Reserve options granted to a director shall provide for such negative terms and amounts of the Reserve options so that, taking into account the mutually exclusive terms of the Basic and Reserve options, there is no hypothesis in which the director would ultimately be entitled to receive a greater number of shares than the total number of shares for which Basic options have been granted to him or her.

## §9. Criteria for achieved results

§9.1. The grant of variable remuneration in Shares in the form of conditional options under this Scheme is subject to objective and measurable performance of financial and non-financial criteria which promote the long-term stability of the Company and the development of its business. Upon the achievement of performance criteria the Directors will be entitled to exercise the relevant Option in accordance with its terms and subject to the rules in this Scheme. Non-financial indicators account for up to 50% of all criteria. The satisfaction of at least one non-financial criteria is a condition precedent to the vesting of each of the options granted under this Scheme.

§9.2. The performance criteria are set with reference to the Company's development strategy and are the same for all Directors, taking into account their functions, their

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.*  
*Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

interrelationship and the overall result achieved on the basis of them for the Company and its Group companies. Nevertheless, in view of their different internal organisational functions which contribute differently to the fulfilment of the criteria set and their different geographical locations, it is permissible to fix different amounts of remuneration in shares within the framework set out in this Scheme.

**§9.3.** The Performance Criteria, including the specific values of the indicators set out in this Scheme on which the relevant criteria are based, are subject to amendment only by a reasoned resolution of the General Meeting of Shareholders in the event of a material change in the economic situation, market conditions, expectations for the development of the Company or other important reasons that require such amendment.

**§10. Quarterly average price**

**§10.1.** The Average Quarterly Price (“AQP”) is the arithmetic average value of price of the Shares on a particular reference date (see. §10.2 below), calculated as follows:

$$AQP = \frac{\text{sum of WAP for each day of the period}}{\text{number of days in the period}}$$

Where,

“period” ..... means three-month period immediately preceding the date as at which the AQP is being determined;

“WAP” ..... means weighted average price (in the currency of trading) on a daily basis, according to the information provided by the Bulgarian Stock Exchange or the Frankfurt Stock Exchange. For the sake of clarity, the daily weighted average price is a historical value that is not adjusted with dividend, issue of rights, split or other changes in the capital. AQP shall be determined either by the information provided by the Bulgarian Stock Exchange, or by Frankfurt Stock Exchange, whichever leads to higher AQP, but the information provided by both stock exchanges may not be used in combination;

“day” ..... means a date within the period for which a WAP has been provided according to the information available from the respective Stock Exchange;

**§10.2.** The range of alternatively specified reference dates by which the achievement of the Basic Targets is assessed, consists of the last calendar days of each of the years included in the Performance Period.

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

**§10.3.** Each Basic Target can only be achieved once, and thus this criterion is considered met. Once a Basic Target has been achieved on one of the alternatively specified reference dates, its achievement on the remaining alternatively specified reference dates (if any) shall not be assessed. In the event that more than one of the Basic Targets has been achieved, then all such targets shall be deemed to have been achieved. Also, two or more Basic Targets may be achieved at the same time on the same reference date

**§10.4.** In Appendix 1, an integral part of this Scheme, in tabular form are set:

- (i) the reference dates relevant for the calculation of the relevant Basic target;
- (ii) Specific AQP values, each of which is referred to as the "Basic Target "Basic Target"; and
- (iii) the aggregate (for all Directors) number of Shares for which Basic Options may be granted, tied to the satisfaction of the relevant Basic Target.

## **§11. Annual Revenue**

**§11.1.** The Annual Revenue of the Company shall be assessed on a consolidated basis in accordance with the Annual Consolidated Financial Report audited and adopted by the General Meeting of Shareholders for each year of the Performance Period.

**§11.2.** In Appendix 1, an integral part of this Scheme, in tabular form are set:

- (i) the calendar years included in the Performance Period (also referred to as reference years)
- (ii) the specific Annual Revenue by reference year, each of which is referred as the "Reserve Target"; and
- (iii) the aggregate (for all Directors) number of Shares for which Reserve Options may be granted, tied to the satisfaction of the relevant Reserve Target.

## **§12. Non-financial criteria**

**§12.1.** The Non-Financial Criteria include activities and projects of long-term and strategic importance to the development of the business of the Company and the Group it manages and therefore the satisfaction of at least one of these criteria is a condition for the vesting of the Options granted under this Scheme.

**§12.2.** The Non-financial for the grant of remuneration in Shares in the form of conditional options under this Scheme shall include:

- (i) the implementation of strategic projects for the Company, such as, but not limited to:
  - a) transactions for the sale and acquisition of interests in other companies;
  - b) arranging of external financing for certain projects, including by raising capital or finding a strategic partner or investor;

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

c) reorganization and restructuring of the business or individual units thereof; and etc.,

as well as other projects, beyond those listed, that would be important for the development and the operations of the Company.

- (ii) development of manufacturing and logistics, such as, but not limited to:
  - a) expanding the product portfolio, introducing new or optimizing existing manufacturing practices;
  - b) expansion and/or reorganisation of manufacturing;
  - c) reorganization and optimization of logistics;
  - d) opening of new commercial offices, logistics centres,

as well as other activities beyond those listed which would be relevant to optimising, expanding and/or otherwise improving manufacturing and/or logistics;

- (iii) development of trading and distribution channels, such as, but not limited to:
  - a) reorganization or optimization of existing marketing and distribution channels;
  - b) establishment of strategic trade partnerships,

as well as other activities, beyond those listed, that would be relevant to the trade and distribution of the goods and services offered by the Company's group of companies;

- (iv) improvement of customer service, such as but not limited to:
  - (a) expansion, reorganisation and/or optimisation of contact centres and customer service channels to ensure greater efficiency in the processes involved in obtaining customers' feedback on the products and services provided by the Company's group of companies;
  - (b) improving processes for measuring and analysing of the customer satisfaction;
  - (c) improving the products and/or services provided by the Company in relation to the results of the customer satisfaction analysis;
  - (d) opening of training centres for service and device installation workgroups, by the Company's group companies;

and other activities, beyond those listed, related to improving customer service;

- (v) conducting a procedure under the issue by the Company of financial instruments based on or linked to the share, irrespective of the regulated market on which they are listed;
- (vi) promotion of the Company among potential investors and Basicaining a good investor image through, but not limited to:
  - a) holding regular meetings with investors and analysts;
  - b) participating in investor forums and conferences;
  - c) ensuring transparency regarding the Company's activities and its management and compliance with established legal rules and good investor and business practices;

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.*  
*Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

### **§13. Granting of options**

- §13.1.** The variable remuneration granted under this Scheme is in the form of a package of Basic and Reserve Options.
- §13.2.** The General meeting of Shareholders shall determine by resolution to which directors the Company shall grant a package of options as provided in this Scheme, which resolution shall also determine the specific parameters of each option included in the package of options granted to the relevant director.

### **§14. Procedure for exercise of granted options**

- §14.1.** The fulfilment of the conditions for the exercise of the options shall be assessed by the General Meeting of Shareholders at the end of the Performance Period, following or simultaneously with the adoption of the Company's Annual Consolidated Report for the last year of such period.
- §14.2.** The General Meeting of Shareholders shall consider, in respect of each Director who has been granted a bundle of Options pursuant to this Scheme, for which of the Options granted, the conditions attached to their exercise in accordance with the performance are achieved by the Company and the relevant Director during the Performance Period based on a report by the Board of Directors and approves the total number of Shares which the Director would be entitled to receive from the Company upon exercise of his rights under such Options. The satisfaction of the conditions for the exercise of each of the Options granted shall be judged in accordance with the rules set out in this Scheme and subject to the following rules and restrictions:
- (i) Achievement of the set Basic Targets shall be assessed in ascending order (according to the value of the target set) for each of the reference dates in chronological order taking into account §10.3.  
Achievement of the Reserve Targets shall be assessed for each of the reference years in chronological order.
  - (ii) The occurrence of a right to exercise a Basic Option, in view of the achievement of a Basic Target to specific reference date precludes the concurrent occurrence of a right to exercise a Reserve Option whose Reserve Target refers to the reference calendar year, part of which is the reference date;
  - (iii) If at a given reference date no Basic Target is achieved but in the reference year of which the reference date is a part, a Reserve Target is achieved, then the right to exercise the relevant Reserve Option for the corresponding number of Shares shall arise, as a result of this, the number of Shares shall automatically reduce the number of shares, corresponding to the next the Basic Option. Next in the meaning of the preceding sentence shall mean the Basic Option for which under the order of consideration under item (i) here above the right to exercise has not yet arisen. This rule shall be applied repeatedly and in the event that the number of shares under the Basic Option pursuant to the preceding sentence

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.*  
*Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

reaches zero, the difference shall be deducted from the next Basic Option. In the event that a Basic Target is later reached in accordance with the order of consideration, resulting the vesting of a Basic Option the number of shares of which has been reduced as set out above, then the Director shall be entitled to exercise that Basic Option in a partial amount, namely up to the reduced number of shares, unless the number of shares has been reduced to 0.

- (iv) The aggregate of all Shares under all Options (Basic and Reserve) for which exercise rights have vested in favour of the Director, shall not exceed the total of all Shares under the Basic Options granted to the Director.
- (v) In the event that, at the end of a year of the Performance Period, the financial criteria have been achieved but none of the non-financial criteria have been achieved, the General Meeting of Shareholders, taking into account the achievement of the financial criteria, may resolve that the share-based remuneration provided for under the options for which the financial criteria have been met for that year shall be granted in a reduced amount.

**§14.3.** Options granted which have become exercisable by the relevant Director (as aforesaid) may be exercised in whole (for all options for which the conditions for exercise have been satisfied, for all shares for which the relevant options are exercisable) or in part (for part of the options for which the conditions for exercise have been satisfied and/or for part of the shares for which the relevant options are exercisable) on a single notice to the Company within a period of up to one year commencing on the later of the following dates:

- (i) the third anniversary of the date of the resolution of the General Meeting of Shareholders for its granting; and
- (ii) the date of the resolution of the General Meeting of Shareholders pursuant to §14.2

The Options shall be voided if not exercised within the specified period.

In the event that the Options are exercised in part (i.e. not for the full number of Shares for which the Director is entitled to exercise Options), then the Options for the remaining number of Shares shall be void from the time the Company receives notice of the exercise of the Options in part.

## **§15. Granting of Shares**

**§15.1.** The grant of Shares under an option validly exercised by the Director shall be made [at once or in instalments within \[five\] years](#) from the date of exercise of the option. In the event of exceptional circumstances, this period may be extended by a resolution of the General Meeting of Shareholders for up to one year.

**§15.2.** In the event that the period for allotment the Shares expires during a lock-up period or there is any other legal impediment for allotment the Shares, the period referred to in

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

the preceding paragraph shall be automatically extended until one month after the end of the lock-up period or the removal of the legal impediment.

**§15.3.** The method of allotment of the shares shall be selected by the Company, which method shall be such that, as a result of its application, the director shall acquire the appropriate number of shares in the capital of the Company pursuant to the valid exercise of the rights under the options granted to him for a price, consideration or other payment not exceeding the nominal value per share of the shares issued by the Company. Such means may be any means permitted by law or a combination of such means, for example and without limitation to:

- (i) a direct transfer by the Company to the Director of the Company's own shares; or
- (ii) providing the Director with the opportunity to participate in a special procedure of increasing the capital of the Company, with the opportunity to subscribe for the relevant number of shares at a preferential price.

**§15.4.** [revocd].

**§16. Transformation into financial obligation**

At the discretion of the General Meeting of Shareholders, under the conditions set under the Remuneration Policy, the obligation for allotment of Shares may be converted into a financial one in an amount calculated as follows: the AQP as of the date of payment multiplied by the number of Shares due. The financial obligation referred to in the preceding sentence is payable, within two weeks of the expiry of the period for the transfer of the Shares.

**§17. Conditions for retention of shares**

**§17.1.** The share retention conditions set out in this §17 shall apply to one-half of the shares that the Director is entitled to acquire as a result of the exercise of options pursuant to §14.3 as of the Initial Date. For the avoidance of doubt, until the Initial Date, the Director may freely and unrestrictedly dispose of all his shares, including those acquired pursuant to this Scheme.

**§17.2.** For the purposes of this §17:

- (i) **"Number of outstanding Shares "** means the number of all Shares the Director is entitled to acquire as a result of validly exercised Options pursuant to §14.3;
- (ii) **"Number of aquired Shares "** means the number of all Shares that the Director has at the relevant time acquired as a result of validly exercised Options pursuant to §14.3;
- (iii) **"Initial Date"** means the date on which the Director has acquired Shares pursuant to this Scheme which results in the Number of acquired Shares becomes greater than or equal to 50% of the Number of outstanding Shares.

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

**§17.3.** During the one-year period from the Initial Date, the following restrictions shall apply:

- (i) until the end of the third month from and including the Initial Date, a Director may not dispose of such number of Shares equal to the difference between the Number of acquired Shares and 50% of the Number of outstanding Shares if the difference is a positive number;
- (ii) (ii) after the end of the third month and up to the end of the sixth month from the Initial Date, the Director shall not be entitled to dispose of such number of Shares equal to the difference between the Number of acquired Shares and 62.5% of the Number of outstanding Shares if the difference is a positive number;
- (iii) after the end of the sixth month to the end of the ninth month from the Initial Date, the Director shall not dispose of such number of Shares equal to the difference between the Number of acquired Shares and 75% of the Number of outstanding Shares if the difference is a positive number;
- (iv) after the end of the ninth month to the end of the one-year period from the Initial Date, the Director shall not be entitled to dispose of such number of Shares equal to the difference between the Number of Shares acquired and 87.5% of the Number of outstanding Shares if the difference is a positive number

In the event that, by determining the number of shares that a director is not permitted to dispose of in a relevant period pursuant to clauses (i) to (iv), the resulting number is not a whole number, the number of shares to which the disposal restriction applies shall be determined by rounding the result so obtained to the next whole number.

**§17.4.** The shares are not subject to any other restrictions on the disposal or exercise of the rights attached to them.

**APPENDIX 1**  
**TO THE SCHEME FOR GRANTING REMUNERATION IN SHARES OF THE COMPANY**  
**TO THE EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS**

**1. Basic Options**

Basic Targets on financial indicator Quarterly average share price (“AQP”) (see §10 of the Scheme)

Reference dates <sup>(1)</sup>	AQP <sup>(2)</sup>	Number of shares <sup>(3)</sup>
	EUR 11,16	178 050
31.12.2022 г.,	EUR 18,00	133 537
31.12.2023 г.,	EUR 27,00	133 538
31.12.2024 г. и	EUR 38,00	133 537
31.12.2025 г.	EUR 46,00	133 538
	EUR 55,00	178 050
	Total number shares:	890 250

1. Alternatively defined reference dates to which the AQP is calculated and the achievement of each of the Basic Targets is assessed, excluding Basic Targets already achieved.
2. Quarterly average share price.
3. Maximum number of Shares for all Directors for which Basic Options may be granted, the exercise of which is conditional upon the achievement of the relevant Basic Target (the value of the TOC shown on the same line).

**2. Reserve Options**

**Reserve Targets based on financial indicator Annual Revenue**

Reference Year <sup>(1)</sup>	Annual Revenue <sup>(2)</sup> (million EUR)	Number of Shares
2022	43.5	88 538
2023	62.5	104 025
2024	89	119 025
2025	125	133 537
	Total number of shares:	445 125

1. The accounting year to which the Annual Consolidated Financial Statements, audited and adopted by the General Meeting of Shareholders, relate.
2. Minimum value of the annual Revenue realized to the year indicated in the same line.
3. The maximum number of shares for all Directors for which Reserve Options may be granted, the exercise of which is conditional upon the relevant Reserve Target being met (the Annual Revenue figure shown on the same line).

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

## APPENDIX 2 – EXAMPLE CALCULATIONS TO THE SCHEME FOR GRANTING REMUNERATION IN SHARES OF THE COMPANY TO THE EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

### §1. Purpose

§1.1. The example calculations discussed in this Appendix 2 are intended to illustrate the practical application of the rules for calculating the number of shares under §14.2 of the Scheme. .

§1.2. In each of the examples is considered the performance of conditions under the same example option package, for which round baseline values are deliberately used for illustrative purpose.

§1.3. In each of the examples considered, it is assumed that at least one non-financial criterion is met (see §12 of the Scheme).

§1.4. In the event of a conflict between the examples discussed in this appendix and §14.2 of the Scheme, the Scheme shall take precedence..

### §2. Example package of options

Basic options:

Reference dates	AQP	Number of shares
	EUR 11,16	50 000
31.12.2022 г.,	EUR 18,00	50 000
31.12.2023 г.,	EUR 27,00	50 000
31.12.2024 г. and	EUR 38,00	50 000
31.12.2025 г.	EUR 46,00	50 000
	EUR 55,00	50 000
Total number of shares:		300 000

Reserve options:

Reference Year	Annual Revenue (in million EUR)	Number of shares
2022	43.5	15 000
2023	62.5	35 000
2024	89	45 000
2025	125	55 000
Number of shares:		150 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

### §3. Examples

Example 1 and Example 2 (see below).

#### EXAMPLE 1

##### RESULTS FOR THE WHOLE PERIOD:

Reference date	AQP
31.12.2022	EUR 10
31.12.2023	EUR 20
31.12.2024	EUR 25
31.12.2025	EUR 35

Reference Year	Annual Revenue (in million EUR)
2022	50
2023	65
2024	85
2025	130

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

1. Example 1. Results as of:

Reference date	AQP
31.12.2022 г.	EUR 10

Reference year	Annual Revenue (in million EUR)
2022	50

1.1 At the reference date, the AQP was €10, meaning that none of the Basic Targets had been achieved. No rights arise for the Director to exercise any of the Basic Options.

1.2. For the Reference Year, the Annual Revenue amounts to EUR 50 million, which means that the Reserve Target (EUR 43.5 million) has been achieved. Given the general assumption that at least one non-financial criterion has been met, the Reserve Target has been achieved and the negative condition that none of the Core Target has been met as of a reference date (31.12.2022) falling in the same reference year (2022), the rights to exercise the Reserve Option for 15,000 shares arise. As the rights to exercise the Reserve Option vest, the number of shares allocated to the next Basic Option is automatically reduced..

Temporary state of the Options after this step:

Basic Options:

Reference Dates	AQP	Number of Shares
	EUR 11,16	50 000
		- 15 000
31.12.2022 г.,		<b>35 000</b>
31.12.2023 г.,	EUR 18,00	50 000
31.12.2024 г. и	EUR 27,00	50 000
31.12.2025 г.	EUR 38,00	50 000
	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve options:

Reference year	Annual Revenue (in million EUR)	Number of shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference	Error! Reference	35 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

source not found.	source not found.	
Error! Reference source not found.	Error! Reference source not found.	45 000
Error! Reference source not found.	Error! Reference source not found.	55 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

2. **Example 2.** Results as of:

Reference date	AQP
31.12.2023 г.	EUR 20

Reference year	Annual Revenue (in million EUR)
2023	65

2.1. As at the Reference Date, the AQP is worth EUR 20, which means that two of the Basic Targets (EUR 11.16 and EUR 18.00) have been achieved and the Director is entitled to exercise their respective two Basic Options: the first Basic Option in the reduced amount of 35,000 shares and the second Basic Option in the full amount of 50,000 shares.

2.2. For the Reference Year, the Annual Revenue amounts to EUR 65 million, which means that the Reserve Target (EUR 62.5 million) has been achieved, but no rights arise to exercise the Reserve Option, as the negative condition of no Basic Target being met as of the Reference Date (31.12.2023) falling in the relevant Reference Year (2023) does not exist.

**Temporary state of the Options after this step:**

Basic Options:

Reference dates:	AQP	Number of shares
	EUR 11,16	35 000
31.12.2022 г.,	EUR 18,00	50 000
31.12.2023 г.,	EUR 27,00	50 000
31.12.2024 г. и	EUR 38,00	50 000
31.12.2025 г.	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve Options:

Reference Year	Annual Revenue (in million EUR)	Number of shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference source not found.	Error! Reference source not found.	35 000

Error! Reference source not found.	Error! Reference source not found.	45 000
Error! Reference source not found.	Error! Reference source not found.	55 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

3. **Example 1.** Results as of:

Reference date	AQP
31.12.2024 г.	EUR 25

Reference Year	Annual Revenue (in million EUR)
2024	85

- 3.1. As of the reference date, the AQP amounts to EUR 25, which means that none Basic Target has been achieved. The Director has no right to exercise any of the Basic Options.
- 3.2. For the reference year, the Annual Revenue amounts to EUR 85 million, which means that the Reserve Target (EUR 89 million) has not been reached and therefore no rights arise to exercise the Reserve Option notwithstanding the negative condition that none of the Basic Targets have been achieved by the Reference Date (31.12.2024) falling in the same Reference Year (2024)..

**Temporary state of the Options after this step:**

Basic Options:

Reference dates	AQP	Number of shares
	EUR 11,16	35 000
31.12.2022 г.,	EUR 18,00	50 000
31.12.2023 г.,	EUR 27,00	50 000
31.12.2024 г.	EUR 38,00	50 000
31.12.2025 г.	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve Options:

Reference Year	Annual Revenue (in million EUR)	Number of shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference source not found.	Error! Reference source not found.	35 000
Error! Reference	Error! Reference	45 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

source not found.	source not found.	
Error! Reference source not found.	Error! Reference source not found.	55 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

4. **Example 1.** Results as of:

Reference date	AQP	Reference year	Annual Revenue (in million EUR)
31.12.2025 г.	EUR 35	2025	130

4.1. As of the reference date, the AQP amounts to EUR 35, which means that the Basic Target (EUR 27.00) has been achieved. The Director becomes entitled to exercise the relevant Basic Option in its full amount of 50,000 shares.

4.2 For the Reference Year, the Annual Revenue amounts to EUR 130 million, which achieves the Reserve Target (EUR 125 million), but notwithstanding this, no rights arise to exercise the Reserve Option given the achievement of the Base Target as at a Reference Date falling within the same Reference Year under 4.1 here above..

**Final<sup>1</sup> state of the Options after this step:**

Basic options:

Reference dates	AQP	Number of shares
	EUR 11,16	35 000
31.12.2022 г.,	EUR 18,00	50 000
31.12.2023 г.,	EUR 27,00	50 000
31.12.2024 г. and	EUR 38,00	50 000
31.12.2025 г.	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve options:

Reference year	Annual Revenue (in million EUR)	Number of shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference source not found.	Error! Reference source not found.	35 000
Error! Reference source not found.	Error! Reference source not found.	45 000

<sup>1</sup> Given the exhaustion of the reference dates and reference years of the Performance Period.

Error! Reference source not found.	Error! Reference source not found.	55 000
---	---	--------

**Total amount of shares:**

Under Basic options:  $35\ 000 + 50\ 000 + 50\ 000 = 135\ 000$

Under Reserve options: 15 000

---

Total: 150 000

## EXAMPLE 2

### RESULTS FOR THE FULL PERIOD:

Reference date	AQP
31.12.2022 г.	EUR 20
31.12.2023 г.	EUR 25
31.12.2024 г.	EUR 35
31.12.2025 г.	EUR 45

Reference Year	Annual Revenue (in million EUR)
Error! Reference source not found.	50
Error! Reference source not found.	65
Error! Reference source not found.	95
Error! Reference source not found.	130

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

1.

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.*  
*Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

2.

3. **EXAMPLE 2.** Results as of:

Reference Date	AQP	Reference Year	Annual Revenue (in million EUR)
31.12.2022 г.	EUR 20	2022	50

1.1 As of the Reference Date, the AQP is worth EUR 20, meaning that two of the Basic Targets (EUR 11.16 and EUR 18.00) have been achieved. The Director becomes entitled to exercise the first two Basic Options in full, each of 50,000 shares.

1.2. For the Reference Year, the Annual Revenue amounts to EUR 50 million, which means that the Reserve Target (EUR 43.5 million) has been achieved. Given the absence of the negative condition that no Basic Target has been met as of a reference date (31.12.2022) falling in the same reference year (2022), no rights to exercise a Reserve Option arise..

#### Temporary state of options after this step:

Basic Options:

Reference Dates	AQP	Number of Shares
	EUR 11,16	50 000
31.12.2022 г.	EUR 18,00	50 000
31.12.2023 г.,	EUR 27,00	50 000
31.12.2024 г.and	EUR 38,00	50 000
31.12.2025 г.	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve Option:

Reference Year	Annual Revenue (in million EUR)	Number of Shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference source not found.	Error! Reference source not found.	35 000
Error! Reference	Error! Reference	45 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

source not found.	source not found.	
Error! Reference source not found.	Error! Reference source not found.	55 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

4. Example 2. Results as of:

Reference date	QAP	Reference year	Annual Revenue (in million EUR)
31.12.2023 г.	EUR 25	2023	65

2.1. As at the Reference Date, the QAP is at the amount of EUR 25, which means that none of the Basic Targets have been achieved and no rights arise for the Director to exercise any of the Basic Options.

2.2 For the reference year, the Annual Revenue amounts to EUR 65 million, which means that the Reserve Target (EUR 62.5 million) has been met, given the general assumption that at least one financial criterion is always met and the negative condition that no Basic Target is met at the reference date (31.12.2023). ) falling in the relevant reference year (2023), then the right arises for the Director to exercise a Reserve Option for 35,000 shares, which automatically reduces the number of shares provided for the next Basic Option (in this case, it is the third Basic Option with a Basic Target QAP of EUR 27.00).

Temporary state of the Options after this step:

Basic Options:

Reference dates:	QAP	Number of shares
	EUR 11,16	50 000
	EUR 18,00	50 000
31.12.2022 г., 31.12.2023 г.,	EUR 27,00	50 000
		<u>- 35 000</u>
31.12.2024 г. and 31.12.2025 г.		<b>15 000</b>
	EUR 38,00	50 000
	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve Options:

Reference Year	Annual Revenue (in million EUR)	Number of shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference source not found.	Error! Reference source not found.	35 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

Error! Reference source not found.	Error! Reference source not found.	45 000
Error! Reference source not found.	Error! Reference source not found.	55 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

3. **Example 2.** Results as of:

Reference date	QAP
31.12.2024 г.	EUR 35

Reference Year	Annual Revenue (in million EUR)
2024	95

3.1. As of the reference date, the QAP amounts to EUR 35, which means that the Basic Target (EUR 27.00) has been achieved. Rights arise for the Director to exercise the relevant Basic Option but at its reduced amount of 15,000 shares.

3.2. For the reference year, the Annual Revenue amounts to EUR 95 million, which means that the Reserve Target (EUR 89 million) has been reached. Given the absence of the negative condition of no Basic Target being met at a reference date (31.12.2024) falling in the same reference year (2024), no rights to exercise the Reserve Option arise.

**Temporary state of the Options after this step:**

Basic Options:

Reference dates	QAP	Number of shares
	EUR 11,16	50 000
31.12.2022 г.,	EUR 18,00	50 000
31.12.2023 г.,	EUR 27,00	15 000
31.12.2024 г. and	EUR 38,00	50 000
31.12.2025 г.	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve Options:

Reference Year	Annual Revenue (in million EUR)	Number of shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference source not found.	Error! Reference source not found.	35 000
Error! Reference	Error! Reference	45 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail. Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

source not found.	source not found.	
Error! Reference source not found.	Error! Reference source not found.	55 000

*This document is translated from Bulgarian and provided for information purposes. In case of discrepancies between the version in Bulgarian and in English, the Bulgarian version shall prevail.  
Everywhere in this document the company name ALLTERCO JSCo is replaced with SHELLY GROUP SE*

4. **Example 2.** Results as of:

Reference date	QAP	Reference year	Annual Revenue (in million EUR)
31.12.2025 г.	EUR 45	2025	130

- 4.1. As of the reference date, the QAP amounts to EUR 45, which means that the Basic Target (EUR 38.00) has been achieved. The Director becomes entitled to exercise the relevant Basic Option in its full amount of 50,000 shares.
- 4.2. For the reference year, the Annual Revenue amounts to EUR 130 million, which means that the Reserve Target (EUR 125 million) has been reached. Given the absence of the negative condition of no Basic Target being met at a reference date (31.12.2025) falling in the same reference year (2025), no rights to exercise the Reserve Option arise.

**Final<sup>2</sup> state of the Options after this step:**

Basic options:

Reference dates	QAP	Number of shares
	EUR 11,16	50 000
31.12.2022 г.,	EUR 18,00	50 000
31.12.2023 г.,	EUR 27,00	15 000
31.12.2024 г. and	EUR 38,00	50 000
31.12.2025 г.	EUR 46,00	50 000
	EUR 55,00	50 000

Reserve options:

Reference year	Annual Revenue (in million EUR)	Number of shares
Error! Reference source not found.	Error! Reference source not found.	15 000
Error! Reference source not found.	Error! Reference source not found.	35 000
Error! Reference source not found.	Error! Reference source not found.	45 000

<sup>2</sup> Given the exhaustion of the reference dates and reference years of the Performance Period.

Error! Reference source not found.	Error! Reference source not found.	55 000
---	---	--------

**Total amount of shares:**

Under Basic options: 50 000 + 50 000 + 15 000 + 50 000 = 165 000

Under Reserve options: 35 000

---

Total: 200 000