



Current report no. 26/2024  
dated 12 July 2024

## PROPOSED RESOLUTIONS

### EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 12 AUGUST 2024

Dear Shareholders,

We refer you to the extraordinary general meeting of shareholders to be held at the registered office of **Kernel Holding S.A.** (referred to as the “**Company**” or “**Parent Company**” as the case may be) on 12 August 2024 at 9.00 a.m. Luxembourg time convened following receipt of a request from a shareholder of the Company holding more than 10% of the share capital of the Company to convene a general meeting of shareholders in accordance with article 450-8 paragraph 2 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and article 14.4 of the articles of association of the Company. In accordance with the provisions of the Law of 24 May 2011 implementing the Directive 2007/36 EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders of listed companies, we hereby inform you of the resolution to be proposed for adoption at the extraordinary general meeting of shareholders:

#### IMPORTANT NOTICE

THE AGENDA OF THE MEETING IS SUBSTANTIALLY IDENTICAL TO THE AGENDA OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD ON 11 DECEMBER 2023 (THE “**AGM 2023**”) AT THE OCCASION OF WHICH ALL RESOLUTIONS HAD BEEN ADOPTED. YOU MAY THEREFORE ALREADY HAVE VOTED ON EACH OF THESE AGENDA ITEMS AT THE AGM 2023. HOWEVER, AS A RESULT OF THE SHAREHOLDERS REPRESENTING APPROXIMATELY 0.4% OF THE SHARE CAPITAL OF THE COMPANY HAVING BROUGHT LEGAL ACTION FOR THE PURPOSES OF, INTER ALIA, SUSPENDING THE EFFECTS OF THE MINUTES OF THE AGM 2023, THE EFFECTS OF THE PREVIOUS VOTES MAY BE INVALIDATED. AS A PURELY PRECAUTIONARY MEASURE, **SHAREHOLDERS ARE INVITED TO VOTE AGAIN** ON EACH OF THE AGENDA ITEM TO MAINTAIN THE EFFECT TO THEIR VOTE EXPRESSED AT THE AGM 2023 (IF A VOTE WAS EXPRESSED AT THE AGM 2023) OR TO CAST A VOTE ON EACH OF THESE AGENDA ITEMS (IN CASE NO VOTE WAS EXPRESSED AT THE AGM 2023 OR IF THE SHAREHOLDER WANTS TO CHANGE THE VOTE PREVIOUSLY EXPRESSED AT THE AGM 2023).

**FAILURE TO VOTE IN THE UPCOMING GENERAL MEETING MAY RESULT IN THE INVALIDATION OF THE RESOLUTIONS PASSED IN THE AGM 2023.**

#### AGENDA

##### 1. Confirmation of and, to the extent necessary, acknowledgment of certain conflicts of interest

The general meeting of shareholders confirms acknowledgment and, to extent necessary, acknowledges again certain conflicts of interests, specifically:

- Mr. Yevgen Osypov, as director of the Company, regarding the discussion of the amendment of the management incentive plan during the board of directors of the Company meeting held on 07 November 2023.

- Mr. Andrii Verevskiy, as director of the Company, regarding the discussion and approval of the delisting of the Company, which took place on the meetings of the board of directors of the Company held on 6 March 2023, 14 March 2023, 30 March 2023, 13 April 2023.
- Mrs. Anastasiia Usachova, as director of the Company, regarding the acknowledgment of her resignation from her mandate as chief financial officer of the Kernel Holding S.A. group of companies (as a member of the executive management team) with effect as of 5 May 2023, which took place on the meeting of the board of directors of the Company held on 24 April 2023.
- Mrs. Viktoriia Lukianenko, as director of the Company, regarding the acknowledgment of her resignation from her mandate as chief legal officer of the Kernel Holding S.A. group of companies (as a member of the executive management team) with effect as of 25 April 2023, which took place on the meeting of the board of directors of the Company held on 24 April 2023.

**2. Confirmation and ratification or, to the extent necessary, approval of the management report of the board of directors and the report of the independent auditor of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, after having reviewed the management report of the board of directors of the Company and the report of the independent auditor of the Company, confirms and ratifies or, to the extent necessary, approves these reports.”.

**3. Confirmation and ratification or, to the extent necessary, approval of the consolidated financial statements of the Company for the financial year ended on 30 June 2023**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, after having reviewed the management report of the board of directors of the Company and the report of the independent auditor of the Company, confirms and ratifies or, to the extent necessary, approves in their entirety the consolidated financial statements of the Company for the financial year ended on 30 June 2023, with a resulting consolidated net profit attributable to equity holders of the Company of two hundred ninety-nine million one hundred and ninety-two thousand US dollars (USD 299,192,000. -).”.

**4. Confirmation and ratification or, to the extent necessary, approval of the Parent Company’s annual accounts (unconsolidated) for the financial year ended on 30 June 2023**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, after having reviewed the management report of the board of directors and the report of the independent auditor of the Company, confirms and ratifies or, to the extent necessary, approves in their entirety the Parent Company’s annual accounts (unconsolidated) for the financial year ended on 30 June 2023, with a resulting net profit for Kernel Holding S.A. as parent company of the Kernel Holding S.A. group of one hundred twenty-one million one hundred ninety-eight thousand nine hundred fifty-six US dollars and seventy-five cents (USD 121,198,956.75).”.

**5. Confirmation and ratification or, to the extent necessary, approval of the dividend for the financial year ended on 30 June 2023**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders confirms and ratifies or, to the extent necessary, approves the proposal of the board of directors (i) to carry forward the net profit of the Parent Company annual accounts (non-consolidated)

of one hundred twenty-one million one hundred ninety-eight thousand nine hundred fifty-six US dollars and seventy-five cents (USD 121,198,956.75) and (ii) after allocation to the legal reserve of the Company, to declare a dividend at nil for the financial year ended on 30 June 2023.”.

**6. Confirmation and ratification or, to the extent necessary, approval of granting of discharge to the directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders confirms and ratifies or, to the extent necessary, approves the decision to grant discharge to the directors of the Company for their management duties and the exercise of their mandates in the course of the financial year ended on 30 June 2023.”.

**7. Confirmation and ratification or, to the extent necessary, approval of renewal of the mandate of Mr. Andrii Miski-Oglu as independent non-executive director of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Andrii Miski-Oglu for a one-year term, confirms and ratifies or, to the extent necessary, approves the decision to renew the mandate of Mr. Andrii Miski-Oglu for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”.

**8. Confirmation and ratification or, to the extent necessary, approval of renewal of the mandate of Mrs. Daria Anna Danilczuk as non-executive director of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mrs. Daria Anna Danilczuk for a one-year term, confirms and ratifies or, to the extent necessary, approves the decision to renew the mandate of Mrs. Daria Anna Danilczuk for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”.

**9. Confirmation and ratification or, to the extent necessary, approval of renewal of the mandate of Mr. Mykhaylo Mishov as non-executive director of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Mykhaylo Mishov for a one-year term, confirms and ratifies or, to the extent necessary, approves the decision to renew the mandate of Mr. Mykhaylo Mishov for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”.

**10. Confirmation of acknowledgment and, to the extent necessary, acknowledgment of the termination of the mandate of Mrs. Viktoriia Lukianenko as executive director of the Company and confirmation and ratification or, to the extent necessary, approval of granting of discharge for the exercise of her mandate**

The board of directors proposes the adoption of the following resolution:

“Following the resignation letter of Mrs. Viktoriia Lukianenko from her mandate as executive director of the Company on 07 November 2023, the general meeting of shareholders confirms and ratifies or, to the extent necessary, approves the resolution to acknowledge the resignation of Mrs. Viktoriia Lukianenko from her mandate as executive director of the Company with effect as of 12 December 2023.

The general meeting of shareholders further confirms and ratifies or, to the extent necessary, approves the decision to grant her full discharge for the exercise of her mandate.”

**11. Confirmation and ratification or, to the extent necessary, approval of renewal of the mandate of Mrs. Anastasiia Usachova as director of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mrs. Anastasiia Usachova for a one-year term, confirms and ratifies or, to the extent necessary, approves the decision to renew the mandate of Mrs. Anastasiia Usachova for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”

**12. Confirmation and ratification or, to the extent necessary, approval of renewal of the mandate of Mr. Yuriy Kovalchuk as director of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Yuriy Kovalchuk for a one-year term, confirms and ratifies or, to the extent necessary, approves the decision to renew the mandate of Mr. Yuriy Kovalchuk for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”

**13. Confirmation and ratification or, to the extent necessary, approval of renewal of the mandate of Mr. Yevgen Osypov as director of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Yevgen Osypov for a one-year term, confirms and ratifies or, to the extent necessary, approves the decision to renew the mandate of Mr. Yevgen Osypov for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”

**14. Confirmation and ratification or, to the extent necessary, approval of appointment of Mr. Sergiy Volkov as director of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders further confirms and ratifies or, to the extent necessary, approves the resolution to appoint Mr. Sergiy Volkov, born on 04 March 1980 in Kyiv, Ukraine, and residing professionally at 49 Obolonskyi Avenue, apartment 71, Kyiv, Ukraine, as executive director of the Company until the next annual general meeting of shareholders of the Company to be held in 2024.”

**15. Confirmation of acknowledgment, acknowledgment, ratification or, to the extent necessary, approval of the remuneration of non-executive directors of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders confirms acknowledgment, acknowledges and ratifies the payment of the annual director fees (*tantièmes*) paid to Mr Andrii Miski-Oglu and Mr Mykhailo Mishov, as non-executive directors, for their previous term in office, which amounted in total to one hundred sixty thousand US dollars (USD 160,000.-).

The general meeting of shareholders confirms acknowledgment, acknowledges and ratifies the payment of the attendance fees (*jetons de présence*) to Mrs. Daria Anna Danilczuk, as non-executive director, for her previous term in office which amounts in total to eighty thousand US dollars (USD 80,000.-).

The general meeting of shareholders confirms acknowledgment, acknowledges and ratifies the payment of the attendance fees (*jetons de présence*) to Mrs. Daria Anna Danilczuk, as non-executive director, for the period between 16 September 2022 and 20 December 2022 which amounts in total to twenty thousand nine hundred sixteen US dollars (USD 20,916.-).

The general meeting of shareholders confirms and ratifies or, to the extent necessary, approves a total gross annual amount of one hundred sixty thousand US dollars (USD 160,000.-) as the annual director fees (*tantièmes*) of Andrii Miski-Oglu and Mykhailo Mishov, as non-executive directors, for the new one-year mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.

The general meeting of shareholders confirms and ratifies or, to the extent necessary, approves a total of eight thousand US dollars (USD 8,000) per each statutory session of the board of directors, each statutory session of the audit committee, and each statutory session of the sustainability committee, as attendance fees (*jetons de présence*) for Mrs. Daria Anna Danilczuk, as non-executive director, for the new one-year mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”

**16. Confirmation and ratification or, to the extent necessary, approval of the remuneration of executive directors of the board of directors of the Company**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, having acknowledged that fees (*tantièmes*) paid to the executive directors for their previous term as members of the board of directors amounted in total to two hundred forty thousand US dollars (USD 240,000. -), confirms and ratifies or, to the extent necessary, approves the executive directors’ fees for the new one-year mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024, for a total gross annual amount of two hundred forty thousand US dollars (USD 240,000. -) including two hundred thousand US dollars (USD 200,000. -) to be paid to the chairman of the board of directors.”.

**17. Confirmation and ratification or, to the extent necessary, approval of granting of discharge to the independent auditor of the Company for the financial year ended on 30 June 2023**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders confirms and ratifies or, to the extent necessary, approves the granting of discharge to the independent auditor of the Company, PwC Société cooperative, having its registered office at 2, rue Gerhard Mercator B.P. L-1014 Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B65477 for the financial year ended on 30 June 2023.”.

**18. Confirmation and ratification or, to the extent necessary, approval of renewal of the mandate of PwC Société cooperative, having its registered office at 2, rue Gerhard Mercator B.P. L-1014 Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B65477, as independent auditor of the Company in respect to the audit of the consolidated and**



**unconsolidated annual accounts of the Company for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders, following proposal by the board of directors to reappoint PwC Société cooperative, having its registered office at 2, rue Gerhard Mercator B.P. L-1014 Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B65477 as independent auditor of the Company, confirms and ratifies or, to the extent necessary, approves the resolution to reappoint PwC Société cooperative, having its registered office at 2, rue Gerhard Mercator B.P. L-1014 Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B65477 as independent auditor of the Company for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2024.”.

**19. Confirmation and ratification or, to the extent necessary, approval of amendment of the management incentive plan adopted by extraordinary general meeting of the Company held on 30 August 2021**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders confirms and ratifies or, to the extent necessary, approves the amendment to the management incentive plan and the respective authorization granted and adopted by the extraordinary general meeting held on 30 August 2021 (the “**Authorization**”), and the relevant put option agreements, in order to increase the maximum number of ordinary shares of the Company without nominal value that the current beneficiaries and the new beneficiaries of the put option have the right to sell to the Company and to require the Company to purchase, from two million seven hundred ninety-two thousand four hundred thirty-five (2,792,435) up to two million nine hundred six thousand four hundred forty-five (2,906,445), under the same terms and conditions.

All the remaining terms of the Authorization shall remain unchanged.”.

**20. Confirmation and ratification or, to the extent necessary, approval of amendment of the remuneration policy**

The board of directors proposes the adoption of the following resolution:

“The general meeting of shareholders noted that, pursuant to the Article 7bis of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings, as amended, companies must establish a remuneration policy as regards directors and must submit it to the vote of shareholders at the general meeting.

The general meeting of shareholders further noted that according to the article 5.2.4 of the Company’s corporate governance charter, the nomination and remuneration committee of the Company is in charge of the establishment of the remuneration policies and has therefore drawn up an updated remuneration policy of the directors of the Company in the form as substantially set out in the Schedule 1 attached hereto (the “**Remuneration Policy**”) and has presented such Remuneration Policy to the vote of the shareholders at the present general meeting of the shareholders of the Company.

The general meeting of the shareholders of the Company confirms and ratifies or, to the extent necessary, approves the amended Remuneration Policy.”

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## **SCHEDULE 1**

### The Remuneration Policy

#### **KERNEL HOLDING S.A.**

*Société anonyme*

Registered office: 9, rue de Bitbourg  
L-1273 Luxembourg  
R.C.S. Luxembourg B 109 173  
(the “**Company**”)

### **Remuneration Policy**

#### **Introduction**

The Company is a Luxembourg public limited liability company whose shares are admitted to trading on the regulated market (within the meaning of Directive 2014/65/EU) of the Warsaw Stock Exchange.

As per the provisions of Luxembourg law and Article 7 of the Company’s Articles of association, the Company is managed by its board of directors (the “**Board of Directors**”). The Board of Directors is vested with the broadest power to perform all acts of administration in compliance with the Company’s Articles of association.

Additionally, the executive directors of the Company together with the executive management team of the Company’s operating subsidiaries (together the “**Executive Management Team**”) are in charge, amongst other things, of the day-to-day management of the Company and its subsidiaries (together the “Group”).

#### **Scope of application**

The following remuneration policy has been drawn up for the purposes of Article 7bis of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings, as amended (the “**Shareholders’ Rights Law**”).

It applies to the remunerations paid to the Board of Directors as from the financial year commencing on 1 July 2021.

Remunerations paid to the Board of Directors shall only be paid in accordance with this remuneration policy.

Exceptional circumstances as referred to in the first subparagraph shall cover only situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

#### **Adoption and amendments; Advisory vote by the general meeting of the shareholders**

The remuneration policy has been adopted by the Board of Directors on 26 May 2021.

As per the provisions of the Shareholders’ Rights Law, the remuneration policy will be presented by the Company for an advisory vote to the extraordinary general meeting of the shareholders to be held in Luxembourg on 30 August 2021.

The Board of Directors has the right to amend the remuneration policy as it may deem required or where the general meeting dissents with the proposed remuneration policy.

In case of an amendment, the revised remuneration policy shall describe and explain all significant changes and, where applicable, how the votes and views of general meeting of shareholders on the remuneration policy and, as the case may be, the remuneration reports since the most recent vote on the remuneration policy by the general



meeting of shareholders have been taken into account.

In case of an amendment of the remuneration policy for whatsoever reason, the Company shall submit a revised policy to an advisory vote at the following general meeting of the shareholders.

In case of no amendment, the remuneration policy will be presented periodically to the annual general meeting of the shareholders for an advisory vote in accordance with statutory requirements set out in the Shareholders’ Rights Law.

### **Conflict of interests**

The Company has in place the following measures to avoid and manage conflicts of interests with respect to the remuneration paid to the members of the Board of Directors:

- The level of compensation paid to each of the Directors is approved annually by the general meeting of the shareholders of the Company.
- Executive Directors also execute additional duties as members of the Executive Management Team. The level of compensation paid to the members of the Executive Management Team is proposed by the chairman of the Board of Directors (save where he is subject to the procedure) in accordance with this remuneration policy and the incentive plans drawn up by the Nomination and Remuneration Committee of the Company (the “**N&R Committee**”) and is reviewed and, if necessary, adjusted by the N&R Committee on an annual basis. The Board of Directors shall approve any long-term management incentive plan. Non-executive Directors constitute the majority in the N&R Committee of the Board of Directors of the Company.

### **Structure of the compensation of the Directors of the Company**

Remuneration is one of the key instruments for companies to align their interests and those of their shareholders and other stakeholders. As per the provisions of the Shareholders’ Rights Law, the Company is required to establish a remuneration policy ensuring such interest alignment and contributing to the business strategy, long-term interests and sustainability of the Company.

Compensation of the Directors of the Company is comprised only of the remuneration paid for the services provided by the Directors in their capacity as members of the Board of Directors of the Company.

#### **A. Executive Directors**

##### **I. Fixed remuneration**

Fixed remuneration consists of fees determined in a service agreement (the “**Service Agreement**”) or employment contract (the “**Employment Contract**”) entered into between each executive Director and the Company. The fees foreseen by the Service Agreement or Employment Contract of each executive Director are approved annually by the annual general meeting of the shareholders of the Company based on the proposal of the Board of Directors. The fixed remuneration is paid for the services provided by the executive Directors in their capacity as members of the Board of Directors, as described in the Corporate Governance Charter of the Company available on Company’s website <https://www.kernel.ua/investor-relations/corporate-documents/>.

##### **II. Variable remuneration**

Executive Directors are not entitled to variable remuneration for their services as members of the Board of Directors.

##### **III. Remuneration by way of allocation of shares**

Executive Directors are not entitled to remuneration by way of allocation of shares, share options, or any other securities of financial instruments giving right to acquire shares as a consequence of being converted or the rights conferred by them being exercised for their services as members of the Board of Directors.

##### **IV. Pension schemes**

The executive Directors do not benefit from any pension or retirement schemes set up by the Company.



#### V. Other contractual details

As described above, each executive Director enters into a Service Agreement with the Company which specifies key contractual terms of the respective engagement, including, but not limited to the respective remuneration and termination details.

The Service Agreement may be terminated at any time and without reason by the Company by way of delivering a written notice of termination to the executive Director. In such case, termination will become effective thirty (30) days after the receipt of the written notice by the executive Director.

Any executive Director may terminate at any time and without reason her/his Service Agreement by way of delivering a written notice of termination to the Company. In such case, termination will become effective ninety (90) days after the receipt of the written notice by the Company.

Notwithstanding the above, the Service Agreement can be terminated without notice with an immediate effect in case one of the parties to the Service Agreement does not observe its legal obligations and/or contractual obligations set out in the relevant Service Agreement.

The Service Agreements between each of the executive Directors and the Company are established for an unlimited period of time, subject to the regular renewal of the mandate by the general meeting of shareholders. The mandate of the chairman of the Board of Directors is renewed every five years. The mandates of other executive Directors are renewed each year.

One executive Director is entitled to the compensation as an employee of the Company or subsidiaries of the Company.

#### B. Non-executive Directors

The non-executive Directors’ remuneration consists of a fixed annual fee or a remuneration in the form of a fixed fee for each attendance of a statutory session of the Board of Directors, a statutory session of the Audit Committee, and/or a statutory session of the Sustainability Committee (*jetons de presence*) and does not contain any performance-based variable component (including, but not limited to any share options, other securities or financial instruments giving right to acquire shares of the Company as a consequence of being converted or the rights conferred by them being exercised), ensuring a certain degree of independence when fulfilling their duties as members of the Board of Directors. The remuneration of each non-executive Director is determined in a service agreement entered into between such non-executive Director and the Company. The aggregated fixed remuneration of non-executive Directors and the remuneration in the form of *jetons de presence* is approved annually by the annual general meeting of the shareholders based on the proposal of the Board of Directors. The fixed remuneration and the remuneration in the form of *jetons de presence* is paid for the services provided by the non-executive Directors in their capacity as members of the Board of Directors, as described in the Corporate Governance Charter of the Company available on the Company’s website <https://www.kernel.ua/investor-relations/corporate-documents/>.

Non-executive Directors are entitled to the reimbursement of certain traveling, hotel, and other expenses related to the exercise of their directorship duties.

#### **Structure of the compensation of the members of the Executive Management Team**

Three executive Directors in their capacity as members of the Executive Management Team also receive compensation for their services provided to subsidiaries of the Company, with such compensation being paid by the subsidiaries of the Company.

Compensation of the members of the Executive Management Team (15 people in total as at the date of the adoption of this Policy) is based on a pay-for-performance principle, rewarding sustainable growth and long-term value creation for shareholders of the Company. A significant portion of remuneration comes from a variable part depending on the Group’s consolidated financial performance. The compensation structure of the Executive Management Team is as follows:

#### I. Fixed remuneration

Members of the Executive Management Team receive a base salary determined at the discretion of the Board of Directors, commensurate with the respective position and the individual profile of the relevant members in terms of qualifications, skill set, and experience. All amounts are fixed and shall be paid monthly. For the 12 months ended 30 June 2023, the aggregated base salary for 15 members of the Executive Management Team amounted to USD 2,683 thousand paid by the subsidiaries of the Company.

#### II. Variable remuneration

An annual variable monetary bonus (if applicable) is paid as well. Such bonus is determined by the formula approved by the Board of Directors upon the recommendation of the N&R Committee. The bonus shall reward the members of the Executive Management team for the financial performance of the Group which derives from the financial performance of each of its subsidiaries where each respective member of the Executive Management Team is employed or has contractual obligations. The structure of the variable remuneration is as follows:

- The bonus pool for 13 members of the Executive Management Team (the “Bonus Pool”) is expressed as a percentage of the consolidated EBITDA of the Group less the consolidated financial costs of the Group normalized for the effect of certain one-off and nonrecurring transactions (“**EBITDA Less Finance Costs**”), with a minimum threshold level of USD 123 million required to activate the pay-out. The Bonus Pool as a percentage of EBITDA Less Finance Costs is gradually increasing starting from 0.46% of EBITDA Less Finance Costs in case EBITDA Less Finance Costs exceeds USD 123 million and reaching 3.66% of EBITDA Less Finance Costs in case EBITDA Less Finance Costs exceeds USD 443 million. The exact allocation of the Bonus Pool between the relevant members of the Executive Management Team is determined by the N&R Committee.
- Two members of the Executive Management Team have different metrics determining their variable remuneration, including the financial results of the business divisions they lead, Group EBITDA, and personal key performance indicators.
- Some members of the Executive Management Team may have other key performance indicators determining their variable remuneration, including the ESG targets.

The variable remuneration is paid by the subsidiaries of the Company for duties and services provided by members of the Executive Management Team to subsidiaries of the Company.

#### III. Long-term management incentive plan

Eight members or former members of the Executive Management Team are subject to the long-term management incentive plan which shall reward such members of the Executive Management Team for accomplishing individual performance goals related to the duties and services provided by such individuals to subsidiaries of the Company, altogether contributing to the better financial and non-financial results of the group of companies to which the Company belongs over the long-term period and aligning the interests of the Executive Management Team with those of the shareholders of the Company. The long-term management incentive plan is duly reviewed by the N&R Committee and approved by the Board of Directors after the generic terms thereof having been approved by the general meeting of shareholders. Eight members of the Executive management team are granted with put options providing the right but not the obligation to sell a fixed number of Company’s shares owned by management at the moment at Put Price during the exercise period:

- exercise period shall commence on 1 November 2024 and end on 31 December 2025 (or on 31 December 2026 in certain cases). If no put options are exercised during Exercise Period, then such put options shall lapse. Put option also provide for acceleration events which dictate that the put options may be exercised before the commencement of the exercise period (but in any case after the date falling on the expiry of twelve (12) calendar months following the occurrence of the relevant event) if the following events occur: 1) the cessation of trading of Company’s shares at the Warsaw Stock Exchange or any other recognised stock exchange; or 2) a change of control event where the shareholding of Namsen Limited or its ultimate beneficial owner in Kernel’s total votes falls below twenty five percent (25%).
- Put Price is determined as lower of (1) USD23.80; or (2) operating profit before working capital changes minus interest paid plus interest received minus interest tax paid minus maintenance capital expenditures in the fixed amount of USD155,000,000, where all amounts, except for the maintenance capital expenditures, are specified in USD in the relevant paragraph of the consolidated statement of cash flows of the audited annual consolidated accounts of the Company and its subsidiaries for the Financial Years 2022-2024, divided by 3 divided by 12% and divided by 84,031,230.



## **Remuneration report**

Starting from the financial year ended on 30 June 2021, the Company shall present to the annual general meeting of the shareholders a remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the most recent financial year to the Board of Directors in accordance with Article 7ter of the Shareholders’ Rights Law.

## **Publicity**

After the vote on the remuneration policy at the general meeting, the remuneration policy, together with the date and the results of the vote, is made public without delay on the website of the Company and remains publicly available, free of charge, at least as long as it is applicable.

**[Annex I – Drafting note]**

Extract from Article 9a of Directive 2007/36/EC

*“... The remuneration policy shall contribute to the company’s business strategy and long-term interests and sustainability and shall explain how it does so. It shall be clear and understandable and describe the different components of fixed and variable remuneration, including all bonuses and other benefits in whatever form, which can be awarded to directors and indicate their relative proportion.*

*The remuneration policy shall explain how the pay and employment conditions of employees of the company were taken into account when establishing the remuneration policy. Where a company awards variable remuneration, the remuneration policy shall set clear, comprehensive and varied criteria for the award of the variable remuneration. It shall indicate the financial and nonfinancial performance criteria, including, where appropriate, criteria relating to corporate social responsibility, and explain how they contribute to the objectives set out in the first subparagraph, and the methods to be applied to determine to which extent the performance criteria have been fulfilled. It shall specify information on any deferral periods and on the possibility for the company to reclaim variable remuneration.*

*Where the company awards share-based remuneration, the policy shall specify vesting periods and where applicable retention of shares after vesting and explain how the share based remuneration contributes to the objectives set out in the first subparagraph.*

*The remuneration policy shall indicate the duration of the contracts or arrangements with directors and the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of the termination and payments linked to termination.*

*The remuneration policy shall explain the decision-making process followed for its determination, review and implementation, including, measures to avoid or manage conflicts of interests and, where applicable, the role of the remuneration committee or other committees. Where the policy is revised, it shall describe and explain all significant changes and how it takes into account the votes and views of shareholders on the policy and reports since the most recent vote on the remuneration policy by the general meeting of shareholders.”*