



**ASBISc Enterprises Plc
Remuneration Report
2019 – 2020
financial years**

Table of Contents

Introduction.....	3
Summarized overview of ASBIS remuneration policy and application in 2020	5
Application of Remuneration Policy in 2020	6
Fixed salary	6
Incentive pay	6
Incentive pay criteria 2020	7
Pensions and other benefits.....	8
Total remuneration for directors paid in 2020 and 2019	11
Comparative information on the change of remuneration and company performance	12
Derogations and deviations from the Remuneration Policy and from the procedure for its implementation.....	12
Any use of the right to reclaim	13
Information on shareholder vote	13

Introduction

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

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

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

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

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

This Remuneration Report provides an overview of the Remuneration Policy for ASBISc Enterprises Plc Management Board and the application thereof in 2020.

Key highlights – 2020 performance

Despite challenging macro-economic market conditions in 2020, ASBIS was able to deliver a solid performance through a very good strategy, broad geographical coverage, broad product portfolio, very good relations with vendors and the credibility that we have developed in our markets.

In the COVID-19 pandemic era, our revenues amounted to over USD 2.3 billion - the Company's record-high, which compared to that of 2019 shows an increase of 24%. Cash earnings per share increased by more than 140% to USD 66.15. EBITDA increased by 64.5% with an EBITDA margin of 2.6%.

The profit from operations reached USD 56.7 million and net profit after taxation amounted to USD 36.5 million, another record-breaking, which reflects an excellent year-on-year increase of 140%.

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

The Company was able to satisfy the increased demand for digital transformation and fulfil orders within a specified period. Once again, we have proved that we can operate efficiently and flexibly, adjusting to the prevailing market circumstances.

**Summarized overview of ASBIS remuneration policy and application in 2020
/ in thousands USD/**

Policy summary		Application in 2020
Fixed salary	<ul style="list-style-type: none"> A fixed salary is paid to Executive Directors in 13 equal monthly instalments and to Non-Executive directors in 12 equal monthly instalments 	<ul style="list-style-type: none"> Fixed salary was paid as follows: <ul style="list-style-type: none"> Siarhei Kostevitch – USD 138, Marios Christou – USD 90 Costas Tziamalis – USD 90 Yuri Ulasovich – USD 135 Demos Demou – USD 14 Tasos Panteli – USD 14
	<ul style="list-style-type: none"> The aim of the fixed salary is to attract and retain the best-qualified members 	
	<ul style="list-style-type: none"> Fixed salary is considered on a regular basis in light of economic climate, market conditions, Company performance, the individual's role, skills and remit, and increases elsewhere in the Company 	
Incentive pay	<ul style="list-style-type: none"> Incentive pay is based on performance criteria and it is in line with the business strategy, market condition and the specific environment in which the company operates. 	<p>Applicable criteria and their weight:</p> <ul style="list-style-type: none"> financial results: 100% non-financial targets: not quantified personal objectives: not quantified <p>Actual pay-out was as follows:</p> <ul style="list-style-type: none"> Siarhei Kostevitch – USD 367 and USD 15 for extraordinary items, Marios Christou – USD 7 and USD 61 for extraordinary items, Costas Tziamalis – USD 7 and USD 61 for extraordinary items, Yuri Ulasovich – USD 61 for extraordinary items.
	<ul style="list-style-type: none"> Incentive pay is paid only if it is sustainable according to the financial situation of the Company as a whole and justified according to the performance of the business unit, the fund and the individual concerned 	
	<ul style="list-style-type: none"> At the target level: <ul style="list-style-type: none"> quarterly financial, non-financial and personal objectives, paid up to around 7% of the Chief Executive Officer's total pay and up to 5% of the Chief Risk Management Officer's and Chief Finance Officer's total pay, Net profit bonus - calculated as % from achieved NP target. The maximum level is up to 11% of the Chief Risk Management Officer's and Chief Finance Officer's total pay, Net Profit commissions - calculated as % from Profit after Tax. The maximum level is up to approximately 44% of the Chief Executive Officer's total pay. 	
Provident Fund	<ul style="list-style-type: none"> The members of the Management Board are not entitled to any pension contributions however they participate in the Employees Provident Fund. 	<p>Provident Fund was paid as follows:</p> <ul style="list-style-type: none"> Siarhei Kostevitch – USD 4, Marios Christou – USD 3 Costas Tziamalis – USD 3 Yuri Ulasovich – USD 4

Application of Remuneration Policy in 2020

Fixed salary

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

The base salaries for the members of the Management Board remained unchanged in 2020, except for an adjustment for rate difference, as the Management Board is paid in Euro but the numbers are translated in USD for reporting purposes.

Annual fixed salary for the management board /in thousands USD/		
	2019	2020
Siarhei Kostevitch	134	138
Marios Christou	87	90
Costas Tziamalis	87	90
Yuri Ulasovich	131	135
Demos Demou	10	14
Tasos Panteli	10	14

Incentive pay

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

The incentive pay consists of a (potential) cash bonus payment, depending on achievements concerning pre-set targets: financial (Net Profit After Tax and Cash From Operating Activities) non-financial and personal objectives, which are consistent with the strategy and aligned to shareholder interests, for Chief Executive Officer, Chief Risk Management Officer and Chief Finance Officer.

Incentive pay for the management board /in thousands USD/		
	2019	2020
Siarhei Kostevitch	201	367
Marios Christou	7	7
Costas Tziamalis	7	7

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

Incentive pay criteria 2020

The following table shows the selected criteria, their weight and the performance ranges that applied to the 2020 incentive pay:

Criteria	Performance thresholds	Total weight
Non-financial criteria	Performance and pay-out is assessed by the Remuneration Committee per individual criteria	not quantified
Personal objectives	Performance and pay-out is assessed by the Remuneration Committee per individual criteria	not quantified
Financial results	<i>Net Profit after Tax:</i> Minimum target – USD 23 m Maximum target – USD 25 m <i>Cash From Operating Activities:</i> Not quantified	100%

The financial results in 2020 met above the maximum level, hence the full amount of 100% of the total incentive pay was awarded for this component.

In conclusion, the total incentive pay for 2020 granted to Chief Executive Officer, Chief Risk Management Officer and Chief Finance Officer amounted to 100% of the maximum opportunity. This resulted in a gross cash bonus payment of USD 367 to the Chief Executive Officer and USD 7 to the Chief Finance Officer and Chief Risk Management Officer.

Pensions and other benefits

Benefits

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

- Car;
- Phone;
- Medical Insurance.

Employees Provident Fund

Employees Provident Fund is the main scheme under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The scheme is managed under the aegis of the Employees' Provident Fund Organization. The members of the Management Board participate in the Employees Provident Fund also. An equal contribution is payable by each employee and Company. It might be 3%, 5%, 7% or 10% from fixed salary. The benefits from the Provident Fund can only be paid to any member of such fund or to the legitimate heirs of the member:

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

Pension

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

In 2020, the one-time special bonus was granted to all Executives Directors due to the extraordinary profitability of 2020. This resulted in a gross cash bonus payment of USD 15 to the Chief Executive Officer and USD 61 to the Chief Finance Officer, Chief Risk Management Officer and Chief Operating Officer individually.

The table below presents the information on performance criteria and its application in 2019

Name of director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets		4 a) Measured performance and b) actual award outcome
			a) Minimum target/threshold performance and b) corresponding award	a) Maximum/target performance and b) corresponding award	
Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer)	Income Statement: NPAT		a) 13M\$	a) 14M\$	a) 15.2m\$
			b) 195 000\$	b) 210 000 \$	b) 201 000 \$
	Cash Flow: Cash From Operating Activities		a) not quantified	a) not quantified	a) +29 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable
Marios Christou, Executive (Chief Financial Officer)	Income Statement: NPAT		a) 13M\$	a) 14M\$	a) 15.2m\$
			b) not applicable	b) not applicable	b) not applicable
	Cash Flow: Cash From Operating Activities		a) not quantified	a) not quantified	a) +29 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable
Costas Tziamalis, Executive (Director of Credit and Investor Relations)	Income Statement: NPAT		a) 13M\$	a) 14M\$	a) 15.2m\$
			b) not applicable	b) not applicable	b) not applicable
	Cash Flow: Cash From Operating Activities		a) not quantified	a) not quantified	a) +29 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable
Yuri Ulasovich, Executive (Chief Operating Officer)	Income Statement: NPAT		a) 13M\$	a) 14M\$	a) 15.2m\$
			b) not applicable	b) not applicable	b) not applicable
	Cash Flow: Cash From Operating Activities		a) not quantified	a) not quantified	a) +29 M\$
			b) not applicable	b) not applicable	b) not applicable
	Non-finance: compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)		a) not quantified	a) not quantified	a) not quantified
			b) not applicable	b) not applicable	b) not applicable

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

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

Total remuneration for directors paid in 2020 and 2019

The following table summarizes the costs for the remuneration of the Management Board members of ASBIS in the financial year 2020 and 2019.

Name of the director, Position	Year	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Provident Fund	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Basic	Fees	Fringe benefits	One-year variable	Multi-year variable				
Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer)	2020	138			367		15	4	524	38%
	2019	134			201		0	4	339	66%
Marios Christou, Executive (Chief Financial Officer)	2020	90			7		61	3	161	1,285%
	2019	87			7		0	3	97	1,243%
Costas Tziamalis, Executive (Director of Credit and Investor Relations)	2020	90			7		61	3	161	1,285%
	2019	87			7		0	3	97	1,243%
Yuri Ulasovich, Executive (Chief Operating Officer)	2020	135			0		61	4	201	only fixed
	2019	131			0		0	4	135	only fixed
Demos Demou, Non-executive (Non-executive Director)	2020	14			0		0	0	14	only fixed
	2019	10			0		0	0	10	only fixed
Tasos Panteli, Non-executive (Non-executive Director)	2020	14			0		0	0	14	only fixed
	2019	10			0		0	0	10	only fixed

Share-based remuneration

Share-based remuneration is not applied by ASBIS.

Comparative information on the change of remuneration and company performance

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

	RFY2016 vs RFY2015	RFY2017 vs RFY2016	RFY2018 vs RFY2017	RFY2019 vs RFY2018	RFY2020 vs RFY2019
Directors remuneration					
Siarhei Kostevitch, Chairman, executive (Chief Executive Officer)	7%	6%	135%	-23%	55%
Marios Christou, executive (Chief Financial Officer)	0%	3%	54%	-3%	66%
Costas Tziamalis, executive (Director of Credit and Investor Relations)	0%	2%	59%	-4%	66%
Yuri Ulasovich, executive (Chief Operating Officer)	0%	2%	10%	-5%	49%
Chris Pavlou, non-executive (Non-executive Director)	-80%	0%	0%	-100%	-
Demos Demou, non-executive (Non-executive Director)		0%	0%	1000%	40%
Tasos Panteli, non-executive (Non-executive Director)					40%
Total	2%	4%	76%	-12%	57%
Company Performance					
Finance metric A - Income Statement: Profit for the year	127%	49%	74%	27%	140%
Finance metric B - Cash Flow: Cash from Operating Activities	159%	346%	-127%	358%	43%
Non-finance metric C - compliance with all applicable laws and regulations in all the countries we conduct business in (non-measurable)					
Average remuneration on a full-time equivalent basis of employees					
Employees of the company	32%	13%	28%	0%	20%
Employees of the group	2%	11%	9%	9%	6%

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

In 2020, the application of the Remuneration Policy for the Management Board was consistent with the policies included therein. No deviation or derogation took place.

Any use of the right to reclaim

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

Information on shareholder vote

2020 was the first year of the application of the new Remuneration Policy for the Management Board. Information on shareholder vote on this Remuneration Report will be presented next year.

Signatures:

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

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

.....
Constantinos Tziamalis
Director of Credit and Investor Relations
Member of the Board of Directors

.....
Yuri Ulasovich
Chief Operating Officer
Member of the Board of Directors