

Remuneration Policy

Sphera Franchise Group SA ("Sphera") Remuneration Policy reflects the principles applicable to the remuneration of the (i) board members, (ii) executive directors and (iii) members of the consultative committees within the board of directors (the "BoD").

The market in which Sphera and its subsidiaries (the "Group") operate is highly competitive, thus the aim of this Policy is to attract, recruit, retain and motivate skilful and experienced people as members of BoD and/or management structure in order to ensure a complex and growing business strategy and maximum returns for the shareholders.

All remunerations approved in accordance with the principles provided by this Remuneration Policy have to be aligned to best market practices but also to Sphera' strategy, objectives, values, shareholders' interests and business performance.

Sphera will have in place a nomination and remuneration committee with an advisory role created within the BoD, which:

- nominates candidates for BoD members and executive directors;
- assesses the professional expertise and capabilities of the candidates;
- makes recommendations to the BoD on the remuneration of directors and executive directors;
- supervises the implementation of the remuneration policy in Sphera.

The board of directors has the following responsibilities related to remuneration:

- approves the Remuneration Policy which is endorsed by the shareholders prior to the admission to trading of the shares issued by Sphera on a regulated market and review it if necessary, to ensure its consistency with the corporate governance considerations and legal requirements;
- approves the additional remuneration for the members of the consultative committees;
- approves the remuneration for the executive directors.

The principles underlying any decision on remuneration are the following:

- market competitiveness and best practices;
- long-term sustainability;
- remuneration based on performance and linked to responsibilities;
- motivation and rewarding.

Board of Directors

The remuneration for the board of directors' members is approved for an entire mandate by the ordinary general shareholders' meeting. The ordinary general shareholders' meeting also approves the general limits for any additional remuneration, if such is the case.

Remuneration of the members of the board of directors consists of a fixed monthly remuneration.

When the members of the board of directors are engaged in some consultative committees, they are entitled to receive an additional remuneration within the general limits approved by ordinary general shareholders' meeting.

Executive directors

Remuneration of the executive directors consists of a fixed monthly remuneration, determined on the basis of the services rendered and responsibility of the position as decided by the board of directors.

The executive management is entitled to receive performance bonuses (either cash bonuses or stock bonuses) determined in direct correlation with Sphera's business performance and/or liquidity events. Award of the variable component of remuneration (such as performance bonuses) should be subject to predetermined performance criteria which may include both financial and non-financial criteria that are relevant to Sphera's value creation.

Severance pay

In case that the ordinary general shareholders' meeting /BoD decides the early termination of the mandate of any member of the BoD /executive director with no cause, the respective member of the BoD/executive director shall be entitled to a severance pay which should not be higher than two-year's worth of the non-variable component of the remuneration.