

POLICY

ON THE REMUNERATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS OF ADVANCE TERRAFUND REIT

I. GENERAL PROVISIONS

Art. 1. /1/ The Remuneration Policy aims to determine the principles and requirements to be applied when determining and paying the remunerations of the members of the Board of Directors of ADVANCE TERRAFUND.

/2/ This Policy is drafted in compliance with the provisions of the Law on the Special Investment Purpose Companies, Regulation No 48 on remuneration requirements dated the 20th of March 2013 (SG, Issue 32 of 2nd of April 2013), amended and supplemented in SG Issue 61 of 10th of July 2020, and the Statute of the Company and its amendments as at 9th of October 2019.

/3/ The Remuneration Policy is in compliance with the investment purposes, the strategy, the long-term interests of the Company and includes measures to avoid conflicts of interest.

/4/ The Remuneration Policy is applied for remunerations for the members of the Board of Directors of the Company.

Art. 2. /1/ The Board of Directors of ADVANCE TERRAFUND REIT develops this Policy, reviews its basic principles from time to time and is responsible for its implementation.

/2/ At least once a year the Board of Directors of ADVANCE TERRAFUND REIT will review the Remuneration Policy, and respectively, at least every 4 years will propose its re-evaluation before GAS, as well as whenever substantial amendments and/or supplements thereof are required, or this is necessary to achieve the business goals of the Company and in compliance with its long-term interests and sustainability.

/3/ The Company will announce its Remuneration Policy and any subsequent amendments thereof, without disclosing any sensitive business information or other information constituting legally-protected secret. The adopted Remuneration Policy with stated date of adoption and effective date, as well as the results from the GAS voting, are immediately published on the company webpage, and are available free of charge at least while the Policy is in force.

/4/ Any proposals for adopting a remuneration policy, the amendments and/or supplements thereof, or its re-evaluation are included as a separate item in the Agenda of the General Assembly of the public company, announced in the Invitation under Art. 115, para 2 of the Law on Public Offering of Securities, and are ratified by GAS. The description and clarification of any substantial changes in the Policy, as well as the manner in which the voting results of GAS are reported, the shareholders' opinions and the Minutes of the GAS sessions, where the Remuneration Policy was discussed and voted on are reported in a separate document – an appendix reflecting those and constituting an integral part of this Policy.

/5/ When executing the Remuneration Policy of ADVANCE TERRAFUND REIT, the remuneration and working conditions of the company employees are taken into

account in compliance with the specifics and the nature of the business, the duties and responsibilities of its servicing company pursuant to the Service Agreement, the type and number of the employees of ADVANCE TERRAFUND REIT, the requirements for the salary and the length of service, as well as their workload and effectiveness.

/6/ The business goals, stipulated in the prospect and the Statutes of ADVANCE TERRAFUND REIT, are achieved both through the exact application of the rules and principles of this policy when determining the remuneration of the members of the Board of Directors, and by applying the best corporate governance practices.

Art. 3. /1/ ADVANCE TERRAFUND REIT discloses before its shareholders the method for applying the Remuneration Policy in a report, which constitutes a separate document accompanying the annual financial statements of the Company. Based on the Report for the implementation of the Remuneration Policy, every shareholder, or their representative attending a regular annual general assembly, is entitled to make recommendations thereof, including to initiate amendments to the Remuneration Policy.

/2/ This Report under para 1 herein should include the content, ratified in Art. 13 of Regulation No 48 of the remunerations of the Financial Supervision Commission.

/3/ This Report under para 1 herein will be published on the company webpage and shall be made available gratuitously for a term of 10 years. Upon the expiry of the term stipulated in the preceding sentence, the report will still be available to the public, with deleted personal data of the members of the Board.

II. BASIC PRINCIPLES FOR THE IMPLEMENTATION OF THE REMUNERATION POLICY

Art. 4. The Company should follow the following principles when applying this Policy:

- compliance with the strategy, goals and long-term interests of the Company;
- encouraging reliable and effective management of the Company;
- discouraging risk-taking, exceeding the acceptable level for the Company;
- applying measures to avoid conflicts;
- the method for determining the remuneration of the members of the Board of Directors should not compromise their objectivity and should not give rise to such opportunity;
- compliance with the principles and best practices for protecting the interests of shareholders;

III. TYPES OF REMUNERATION

Art. 5. /1/ ADVANCE TERRAFUND REIT pays the members of the Board of Directors only fixed remuneration.

/2/ In any and all instances when a remuneration is determined for the members of the Board of Directors, its amount must be in compliance with the rules for determining the amount of the remuneration of the members of the Board of Directors, as provided for in Art. 55 of the Statute of the Company and should be within the set management costs, as provided for in Art. 13 of the Statutes.

/3/ It is not intended to provide remuneration of the members of the Board of Directors in form of company shares, share options or other rights for acquisition of shares. No remunerations based on changes in the value of the company shares, nor pension-related benefits, are intended.

IV. FIXED REMUNERATION

Art. 6. /1/ The fixed remuneration is in the form of payment to a member of the Board of Directors, which is not based on achieved results.

/2/ The amount of the fixed remuneration of a member of the Board of Directors is determined in a way that allows applying a flexible policy by ADVANCE TERRAFUND REIT, and in compliance with the financial and economic standing of the Company. The amount of the remuneration of a Board member is determined according to their specific duties and responsibilities determined through a resolution of the Board, their level of workload and commitment, as well as their contribution to the business and the results of the Company, and aims to retain highly qualified members of the Board, loyal to ADVANCE TERRAFUND REIT.

/3/ The amount of the fixed remuneration of the members of the Board of Directors is determined by a decision of the General Assembly of the Shareholders in compliance with the provisions of Art. 116c, para 1 of the Law on Public Offering of Securities and the Statutes of the Company.

/4/ The amount of the fixed remuneration of the CEO is stated in the signed Management Contract. This Management Contract is signed by the Chairperson of the Board of Directors.

V. REQUIREMENTS FOR THE MANAGEMENT CONTRACTS ENTERED WITH THE MEMBERS OF THE BOARD OF DIRECTORS

Art. 7. /1/ In the event of early termination of a Management Contract, respectively the Management Participation Contracts with a member of the Board, the total amount of compensations, payable to the person in relation to this early termination, as well as the payments associated with the term of the notice cannot exceed the amount of the paid annual fixed remunerations of the person for a period of two years.

/2/ Compensations under para 2 herein are not payable if the contract termination is based on culpable non-performance of a member of the Board, and the CEO respectively.

/3/ In the event of early termination of a Management Contract with the CEO due to breach of the non-compete clause, the person shall owe the company compensation in the amount not exceeding the paid annual fixed remunerations of the person for a period of two years.

VII. ADDITIONAL PROVISIONS

§1. This Policy is drafted by the Board of Directors of ADVANCE TERRAFUND REIT.

§ 2 This Policy comes into effect as at the date of its ratification by the General Assembly of the company shareholders.

§ 3 Upon subsequent amendments in the applicable legislation, resulting in a discrepancy between the provisions of this Policy and the provisions of any statutory regulation, the latter shall apply without having to amend the Policy, unless this is explicitly stipulated in the such statutory regulation.

§ 4 This Policy is ratified by a resolution of the General Assembly of the company shareholders, held at October 09, 2020 with 37 186 589 votes, representing 100% of those presented to the meeting shares of the capital or 43.69% of the capital of the company and of the persons with the right to vote and repeals the Remuneration Policy ratified by virtue of a resolution of the General Assembly of Shareholders, held on the 14th of May 2014, and amended by virtue of a resolution of the General Assembly of Shareholders, held on the 9th of June 2015.