



KARDAN N.V.

(Hereinafter - the “Company”)

July 26, 2023

To

Hermetic Trust (1975) Ltd.

Re: Update About the Principles of Restrictive Remuneration

On August 24, 2021 and on December 8, 2021, and in accordance with the debt restructuring, the Bondholders approved the principles of the variable remuneration for the Company CEO attached herewith (hereinafter - the “Grant Appendix”). The Grant Appendix stipulates that for 2024, the trustee will negotiate with the Company CEO and bring the agreement to the approval of the Bondholders.

At your request, together with the Bondholders’ representation, negotiations were held with the Company CEO. The parties reached the following basic agreements:

1. The salary of the Company CEO will be reduced by 10% as of January 1, 2024.
2. The grant for saving on administrative and general expenses for 2024 will be deleted.
3. The grant for the outstanding execution of the sale of the mall will be deleted.
4. An addition of the two Monthly Consideration payments in the event of the completion of the sale of the mall (in practice this is compensation for the reduction of the salary and the basis of the multiplier)
5. A one-time grant for refinancing the Dalian loan in the years 2023-2024 will entitle the Company CEO to a one-time grant of two to three Monthly Consideration payments, depending on the quality of the loan and subject to the resolution of the board of directors.
6. The entitlement of the Company CEO to receive the grant is contingent upon meeting the objective of management and general expenses in the amount of EUR 2,200,000 per year, in accordance with the reservations as appear in the Grant Appendix, excluding the grant for completing the sale of the mall.

Attached herewith is the new Grant Appendix in a clean version and a track changes version for your convenience.

[Company signature]