

**POLICY**  
**for Compensation of Employees,**  
**Executives and Management**  
**Board Members of**  
**ALKALOID AD Skopje**



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**ALKALOID**  
**SKOPJE**

*Health above all*

Pursuant to Article 119, in connection with Article 146 of the Statute and proposed by the Supervisory Board under its competencies from Article 91 of the Statute, the Management Board of ALKALOID AD Skopje, at its meeting on 29.12.2022, adopted the following:

## **POLICY for Compensation of Employees, Executives and Management Board Members of ALKALOID AD Skopje**

### **1. Introduction**

In light of its strategic goals to attract and retain the best personnel in the Company, to consistently value the engagement and merits of its employees, executives and Management Board Members, as well as to apply the best global business practices, ALKALOID AD Skopje adopts this Policy for Compensation of Employees, Executives and Management Board Members (hereinafter: the Policy).

To apply the Policy in the organizational units, executives and competent corporate departments shall establish a compensation methodology that shall include the criteria, grounds and objectives for performance evaluation and measurement depending on the nature of each unit's work. The Chief Executive Officer (CEO) shall approve the methodologies proposed by the organizational units.

This Policy shall also apply to ALKALOID AD Skopje's affiliates in the country and abroad, as applicable. The CEO and competent corporate departments of each respective Company shall apply the Policy by determining and adopting methodologies for the compensation of employees and executives.

This Policy shall reflect the provisions of the Company Statute and applicable legislation, primarily the Company Law and Employment Law, as well as the legislation applicable to its subsidiaries.

If any applicable law or bylaw is amended, making this Policy's provisions inconsistent with the provisions of the respective law or bylaw, the provisions of the respective regulation shall prevail. In such a case, ALKALOID AD Skopje shall promptly amend this Policy.

### **2. Rules and grounds for determining the compensation and performance of employees**

Compensation and performance at ALKALOID AD Skopje can be determined on two grounds.

The company's affiliates or organizational units can use both compensation grounds.

The first ground includes a compensation methodology based on indicators, measuring monthly, quarterly, half-yearly or annual performance and an appropriate compensation based on methodology processed by employee group and nature of work.

In the absence of an indicator measurement methodology, the second ground includes a possibility for the organizational unit's responsible persons to propose monthly employee compensation at their own discretion based on certain qualitative or quantitative performance. It is governed by an additional decision passed by the CEO, valid for the compensation period.

### **3. Rules and grounds for determining the compensation and performance of executives**

The Policy for determining the compensation and performance of executives aims to attract, motivate and retain qualified professionals, promote responsible and rational risk management or prevent taking significant risks above the Company's acceptable risk limits.

The Policy aims to provide competitive compensations and benefits to executives in line with industry standards and retain top performers who contribute the most to the Company's growth and development.

Separate agreements signed under the Company Law shall regulate the relations with each executive, governing all rights, including compensation and benefits rights, and all obligations according to the powers contained in these individual agreements.

The right to compensation for each executive shall be determined by a decision of the Management Board.

The Management Board shall be responsible for controlling the amount of compensation for all executives, taking all necessary steps to protect the Company's interests.

### **4. Rules and grounds for determining the compensation and performance of Management Board Members**

The Policy for determining the compensation and performance of Management Board Members aims to attract, motivate and retain qualified professionals, promote responsible and rational risk management or prevent taking significant risks above the Company's acceptable risk limits.

Separate agreements signed under the Company Law shall regulate the relations with each Management Board Member, governing all rights, including compensation and benefits rights, and all obligations according to the powers contained in these individual agreements.

The right to compensation for each Management Board Member shall be determined by a decision of the Supervisory Board.

The Supervisory Board shall be responsible for controlling the amount of compensation for all Management Board Members, taking all necessary steps to protect the Company's interests.

### **5. Other provisions**

#### **5.1 Not paying or returning compensation already paid**

In economic uncertainty or other extraordinary circumstances that may threaten the Company's operation and stability, the Company may decide not to compensate employees, executives and Management Board Members or postpone their compensation until such circumstances cease to exist.

The Company shall have the right not to compensate an employee, executive or Management Board Member if they commit a gross violation of the Company's internal acts or legislation, damages the Company's reputation or causes tangible or intangible loss to the Company.

#### **5.2. Individual ad-hoc compensation**

The Company CEO has the power to compensate any employee or executive, and the Supervisory Board has the

power to compensate any Management Board Member who, on their individual merit not covered in this Policy, makes a significant contribution to their performance or the Company's business performance. The compensation shall be commensurate to the individual's contribution to such individual or Company business performance.

## 6. Final part

This Policy shall be valid until the ALKALOID AD Skopje's Management Board passes a decision to amend it.

The Supervisory Board shall propose the Policy and its amendments, and the Management Board shall adopt them.

This Policy shall take effect and become applicable on 01.01.2023.

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<sup>1</sup> This version of the Policy for Compensation of Employees, Executives and Management Board Members of ALKALOID AD Skopje is formatted and designed to inform the public about it. The official version of the Policy is kept at the Company headquarters.



**ALKALOID AD Skopje**

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