
PHOTON ENERGY N.V.
WITH ITS REGISTERED OFFICE IN AMSTERDAM, THE NETHERLANDS

MANAGEMENT INCENTIVE PLAN – TERMS AND CONDITIONS

**MANAGEMENT INCENTIVE PLAN OF PHOTON ENERGY N.V.
TERMS AND CONDITIONS**

1. DEFINITIONS AND INTERPRETATIONS

1.1. In this Terms and Conditions:

Authorisation	has the meaning ascribed to it in Point 6.1;
Bad Leaver	has the meaning ascribed to it in Point 5.4;
Bonus Closing Date	means 31 December 2025;
Bonus Starting Date	means 31 December 2022;
Business Day	means any day other than Saturday, Sunday, or other public holiday in Poland or in the Netherlands;
Company	means Photon Energy N.V., a public company (<i>naamloze vennootschap</i>) under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands, and with address at Barbara Strozziilaan 201, 1083 HN, Amsterdam, the Netherlands, registered with the Dutch trade register under number 51447126;
Employment	means a legal relation resulting from an employment contract, a civil cooperation agreement (including a management contract), based on which ongoing services are provided, or appointment to a statutory body (management board, supervisory board or equivalent in relevant jurisdiction); “ Employed ” should be construed accordingly;
EVA25	means the economic value added generated by the New Energy Division in financial year 2025;
Former Manager	has the meaning ascribed to it in Point 5.1;
Good Leaver	has the meaning ascribed to it in Point 5.4;
Intermediate Leaver	has the meaning ascribed to it in Point 5.3;
KD	means Krzysztof Drożyński, a Polish citizen, resided in Poznań, at Osiedle Kosmonautów 15/138, 61-639 Poznań, Poland, having personal identification number (PESEL): 89040712713 and holding of the ID card number: DEL 320094;
Lerta	means LERTA SPÓŁKA AKCYJNA, a joint-stock company organized under the laws of Poland, with its registered office in Poznań, at Naramowicka 76, 61-622 Poznań, Poland, registered in the register of entrepreneurs of the National Court Register kept by District Court Poznań – Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court

Register, under number KRS 0000848411, with tax identification number (NIP): 9721266595 and statistical number (REGON): 365392336;

Management Incentive Plan, MIP

means the management incentive plan established pursuant to the MIP Resolution and the Terms and Conditions;

MIP Issue Price

means the MIP Shares issue price, which shall be equal to the nominal value of the MIP Shares, i.e. EUR 0.01 per 1 MIP Share;

MIP Resolution

means the resolution of the General Meeting of the Company no. [7] dated [21st June, 2023_] regarding the establishing of the Management Incentive Plan;

MIP Shares

means up to 880,277 ordinary registered shares in the share capital of the Company, with a nominal value of EUR 0.01 (zero-euro 01/100) each and with an aggregate nominal value up to EUR 8,802.77 to be issued in furtherance of the MIP Resolution and for the purpose of realization of the Management Incentive Plan;

New Energy Division

means Lerta with its subsidiaries and the Company's existing business line as of 20 December 2022, consisting of entities, operations and team members operating on the territory of Poland, Hungary, Romania, Czech Republic and Australia as the case may be called Photon Energy Solutions; subject to organizational changes following 20 December 2022;

Terms and Conditions

means this document together with all schedules.

1.2. Interpretation:

1.2.1. All references in the Terms and Conditions to the Recitals, Point, Clause or Schedule, unless otherwise indicated, are references to the Recitals, Point, Clause or Schedule to this Terms and Conditions.

2. PURPOSE AND ASSUMPTIONS OF THE MANAGEMENT INCENTIVE PLAN

2.1. The purpose of the Management Incentive Plan is to grant the MIP Shares to KD, to encourage and motivate KD to execute the Company's strategy and act to the benefit of the Company and its shareholders, resulting in a stable progression of the Company's value, and to allow KD to acquire additional shares in the Company's share capital. The Management Incentive Plan is addressed solely to KD. KD shall subscribe for the MIP Shares on the basis of provisions of the MIP Resolution and the Terms and Conditions, for the MIP Issue Price.

2.2. The Management Incentive Plan consists of offering the MIP Shares to KD and execution of KD's rights and obligation as the Company's shareholder. For the avoidance of doubt, this Terms and Conditions is applicable only to the MIP Shares and no other shares in the Company's share capital acquired by KD, based on a separate incentive plan or otherwise, shall be subject to the provisions of this Terms and Conditions.

2.3. This Terms and Conditions determines the detailed rules and procedures for realization of the Management Incentive Plan.

3. CONDITIONS OF PARTICIPATING IN THE MANAGEMENT INCENTIVE PLAN

3.1. The MIP Shares shall be due to KD after fulfilment of the following two conditions:

3.1.1. EVA25 should exceed EUR 0 (zero euro), which should be calculated as follows:

$$\text{EVA25} = \text{NOPAT} - \text{WACC} * \text{Capital Employed}$$

where:

- a) **NOPAT** means the New Energy Division's net operating profit after tax for financial year 2025;
- b) **WACC** means the New Energy Division's weighted average cost of capital calculated as follows (the capital structure for the purposes of this calculation is assumed to be 100% (one hundred percent) equity):

$$\text{WACC} = \text{RFIR} + \beta * \text{ERP}$$

where:

- (i) **RFIR** means risk-free interest rate of 10-year German government bond yield on 31 December 2024;
- (ii) **β** means 1 (one);
- (iii) **ERP** means equity risk premium of 6% (six percent);
- c) **Capital Employed** means equity value of Lerta at the time when the Company obtains 100% (one hundred percent) of the share capital of Lerta, i.e. the amount in EUR being equivalent of the amount of PLN 99,898,794 (ninety-nine million eight hundred ninety-eight thousand seven hundred ninety-four zlotys), increased by the average equity, debt, bank guarantees and similar instruments provided to the New Energy Division in financial year 2025 (calculated as the mean value of the 12 (twelve) end-of-month values in financial year 2025);

3.1.2. KD not having the Bad Leaver status, provided that in case KD is an Intermediate Leaver, the final number of MIP Shares calculated in accordance with the formula set out in Point 4.1 shall be further multiplied by the proportion between the period starting on the Bonus Starting Date and ending on the date on which KD became an Intermediate Leaver to the period between the Bonus Starting Date and the Bonus Closing Date.

3.2. Within 4 months from the Bonus Closing Date, the Company shall prepare the annual accounts, including the annual accounts of the New Energy Division, and determine whether the conditions in Point 3.1 are fulfilled.

4. NUMBER OF MIP SHARES

4.1. The number of MIP Shares shall be calculated as follows:

$$\text{Number of MIP Shares} = (\text{EVA25} / 10,000,000) * 880,277$$

provided that in case the EVA25 is greater than EUR 10,000,000 (ten million euros), for purpose of calculation of the number of the MIP Shares, the EVA25 shall be EUR 10,000,000 (ten million euros).

5. GOOD LEAVER AND BAD LEAVER STATUS

- 5.1. If KD ceases to be Employed by the Company's capital group (any member of the group), prior to the Bonus Closing Date, at the date of the Employment ceasing KD will commence to have the status of a "**Former Manager**".
- 5.2. Former Manager may be considered:
- a) a Good Leaver;
 - b) an Intermediate Leaver;
 - c) a Bad Leaver.
- 5.3. The Former Manager will obtain the "**Intermediate Leaver**" status:
- a) upon his death, or
 - b) in case the Employment ceasing due to material health reasons of the Former Manager, which prevent him from properly discharging his duties as relevant for his Employment;
- 5.4. The Former Manager will obtain the "**Bad Leaver**" status:
- a) in case of the voluntary resignation of the Former Manager (other than the immediate termination of the Employment when the Company's capital group (any member of the group) as an employer has committed serious violations of basic duties towards the Former Manager as an employee in accordance with relevant regulations), or
 - b) in case of the termination of the Employment in circumstances justifying immediate termination without compensation in accordance with relevant regulations, or
 - c) in the event KD ceases to be Employed by the Company's capital group (any member of the group), in case of engagement by the Former Manager, directly or indirectly, in business relationships that interfere with activities of the Company or other companies of Company's capital group, or
 - d) in the event KD ceases to be Employed by the Company's capital group (any member of the group), in case of any material breach by the Former Manager, directly or indirectly, of the articles of association of the Company or other companies of Company's capital group, rules of proceeding of management board or supervisory board (if applicable), or
 - e) in the event KD ceases to be Employed by the Company's capital group (any member of the group), in case of commitment by the Former Manager a crime to the detriment of the Company or other companies of Company's capital group, or

- f) in the event KD ceases to be Employed by the Company's capital group (any member of the group), in case of commitment by the Former Manager any crime publicly prosecuted that will be confirmed with a judgment of the court.
- 5.5. The Former Manager will obtain the "**Good Leaver**" status in any other cases of his Employment by the Company's capital group (any member of the group) ceasing.

6. OFFERING OF MIP SHARES

- 6.1. On 21st June 2023 the General Meeting of the Company has delegated to the Company's Management Board the authority to: (i) issue shares, including the MIP Shares, and/or to grant rights to subscribe for shares, including the MIP Shares (*rechten tot het nemen van aandelen*), up to 880,277 shares, including the MIP Shares, of the authorised capital of the Company as included in the Company's articles of association; and (ii) limit and/or exclude pre-emptive rights in relation to an issuance of shares, including the MIP Shares, in the capital of the Company or a granting of rights to subscribe for shares, including the MIP Shares, in the capital of the Company, as referred to under (i) above, for a period of 5 years following the General Meeting of the Company held on 21st June 2023 ("**Authorisation**").
- 6.2. After calculating the final number of the MIP Shares in accordance with the Point 4.1, the final number of the MIP Shares to be subscribed for by KD together with the MIP Issue Price will be indicated by the Company in the subscription proposal, substantially in the form set out in **Schedule 1** to this Terms and Conditions ("**Subscription Proposal**").
- 6.3. The Management Incentive Plan shall be executed by offering MIP Shares to KD by the Company's Management Board. The Company shall address the Subscription Proposal to KD no later than 20 Business Days after the determination by the Company whether the conditions referred to in the Point 3.1 were fulfilled.
- 6.4. The acceptance by KD of the Subscription Proposal referred to in Point 6.3 shall be deemed to constitute acceptance of the provisions of the Terms and Conditions and acceptance of the specific conditions set out therein and shall be made no later than 20 Business Days after receiving of the Subscription Proposal, substantially in the form set out in **Schedule 2** to this Terms and Conditions.
- 6.5. Nothing in the Terms and Conditions shall be deemed to prevent KD from participating in other incentive plans adopted in the Company.
- 6.6. The Company is obliged to offer the MIP Shares to KD if the conditions specified in Point 3.1 are met.
- 6.7. No later than 5 (five) Business Days, provided that all the following conditions are fulfilled: (i) KD accepts the Subscription Proposal; (ii) the Company's Management Board adopts the resolution on issuance of the MIP Shares on the basis of the Authorisation; (iii) the Company receives the MIP Issue Price from KD, the Company and the other respective parties thereto shall execute the deed of issuance of the MIP Shares. Moreover and following the execution of the deed of issuance of the MIP Shares, the Company shall file for registration of the Company's shares capital increase in accordance with the MIP Resolution and will take all other necessary steps as required in connection with the issuance of the MIP Shares.

7. MISCELLANEOUS

7.1. The Terms and Conditions shall come into force as of the date of the MIP Resolution.

7.2. Any amendment to the Terms and Conditions requires a resolution of the Company's General Meeting.

7.3. Notices

7.3.1. To be valid, any notices provided for under the Terms and Conditions shall be delivered to the following addresses (or to any other address notified by KD or the Company in accordance with this Point 7.3):

if to KD:

address: Osiedle Kosmonautów 15/138, 61-639 Poznań, Poland; email: drozynski.krzysztof@gmail.com; for the attention of: Krzysztof Drożyński;

if to the Company:

address: Karolinská 661/4, 186 00 Prague 8, Czech Republic and Barbara Strozilaan 201, Amsterdam 1083 HN, the Netherlands; email: georg.hotar@photonenergy.com, jaroslav.hotar@photonenergy.com; for the attention of: Georg Hotar, Jaroslav Hotar.

7.3.2. Delivery Method; Language

Except for otherwise agreed in the Terms and Conditions any notices shall be validly delivered when made by: (i) personal delivery against receipt; (ii) registered letter with return receipt requested; (iii) letter delivered by a recognized international delivery courier; in each case with copy of the notice being sent by email, for information purposes only (such email not constituting a notice, unless explicitly provided otherwise in the Terms and Conditions). All notices shall be in English (this requirement does not refer to any correspondence received from any third party).

7.3.3. Date of Receipt

The delivery date of any notice delivered under this Point 7.3 shall be determined as follows: (i) if by personal delivery, the date indicated on the receipt; (ii) if by registered letter with return receipt requested, the date indicated on the return receipt or, failing return of such receipt, on the date of the second presentation; (iii) if by letter delivered by a recognized international delivery courier, the date of delivery indicated on the dispatch note or the airway bill by the service in question.

Schedule 1 – Subscription Proposal

[TEMPLATE OF OFFER FOR THE ACQUISITION OF SHARES]

**OFFER FOR ACQUISITION OF SHARES OF THE COMPANY PHOTON ENERGY N.V.
IN CONNECTION WITH THE PARTICIPATION IN THE MANAGEMENT INCENTIVE PLAN**

1. **First and last name:**

[_____]

2. **Place of residence:**

[_____]

3. **PESEL or passport number:**

[_____]

With regard to your participation in the Management Incentive Plan of Photon Energy N.V. with its registered office in Amsterdam, the Netherlands (hereinafter referred to as the “**Company**”) adopted on the basis of the resolution of the Company’s General Meeting of Shareholders no.7 dated 21st June 2023 regarding the establishing of the Company’s management incentive plan, the Company hereby makes an offer to acquire MIP Shares:

[_____] (*in words:* _____) MIP Shares of the Company at a price of EUR 0.01 per MIP Share.

The acceptance of the offer takes place on the principles set out in the Terms and Conditions by completing and submitting to the Company the attached form of acceptance of the offer.

This offer shall expire on [__].

On behalf of the Company:

Schedule 2 – Acceptance of the Subscription Proposal

[TEMPLATE OF ACCEPTANCE OF THE OFFER FORM]

**DECLARATION OF ACCEPTANCE OF THE OFFER
TO PURCHASE SHARES OF PHOTON ENERGY N.V. WITH ITS REGISTERED OFFICE IN AM-
STERDAM (“COMPANY”)**

in connection with the participation in the Management Incentive Plan of the Company

Address of the Company:

[_____]

First and last name:

[_____]

Place of residence:

[_____]

PESEL or identification number: [_____]

Number of MIP Shares acquired: [_____] (*in words:* _____)

Acquisition price: [_____] (*in words:* _____)

Amount of payment for MIP Shares: [_____] (*in words:* _____)

The acquisition price for the MIP Shares shall be paid by bank transfer to bank account no. [____].

I hereby irrevocably accept the offer made by the Company to acquire the MIP Shares as specified above.

Note: The consequence of incomplete or incorrect specification of the eligible person's records or the manner of return of the amount paid or part thereof may be lack of the possibility to take up the MIP Shares or failure to return the amount paid on time. The return of the payment is made without any interest and compensations.

Date and signature