

Esterad Investment Company B.S.C.

Employee Share Incentive Plan (ESIP) – High Level Term Sheet

1. Overview of the ESIP

The ESIP is an equity-based incentive program established by Esterad Investment Company B.S.C.(**Esterad**) for the performance years 2025 and onwards, with grant awards starting in 2026. The program is designed to align senior and key management personnel with the long-term interests of shareholders through deferred equity awards, replacing traditional cash-only bonus structures.

The ESIP includes the following programs:

- Short-Term Incentive Plan (**STIP**) is a one-time equity-based incentive program applicable for the performance years 2025, with grants awarded in 2026.
- Long-Term Incentive Plan (**LTIP**) is a continuing equity-based incentive program applicable for the performance years 2026 and onwards (upto 2028) with the first LTIP grant awarded in 2027 for the performance year 2026. Subsequent LTIP grants will be awarded annually based on respective years' bonus pool and determination by the NRC.

2. Eligibility and Scope

Participation in the ESIP is limited to senior and key management personnel, determined and approved separately by the Nomination & Remuneration Committee (**NRC**). The plan is group-wide, with STIP applied only for the 2025 performance period, while LTIP shall be applied to performance years 2026 and onwards.

3. Incentive Instrument and Funding Structure

Awards are granted in the form Esterad common equity shares. Funding is via issuance of new shares to a designated Trust. Issuance price is based on weighted average market price for the prior three months with relevant adjustments and a discount to be determined and approved by the NRC & Board of directors of Esterad (**BOD**).

4. Grant Size and Vesting Framework

- STIP: Grant size for STIP equals approx. 31% of the actual 2025 bonus pool.
- LTIP: For 2026, grant size equals approx. 31% of the target 2026 bonus pool. For 2027 onwards, LTIP grant size will be determined by the NRC for each respective performance cycle.

Vesting occurs over three years equally, subject to continued service for STIP and continued service and performance condition for LTIP and NRC determinations.

The total number of new shares to be issued under the current ESIP shall be 11,345,562 shares of nominal value BHD 0.100 per share. Of these, up to 1,242,506 shares will be allocated to the STIP, while remaining shares will support LTIP to be awarded in tranches over period of multiple years.

5. Dividends, Interest, and Voting Rights



- All the shares granted under the plan shall receive dividends, which are released in line with vesting. Deferred cash dividends earn interest. Voting rights on unvested shares are exercised cumulatively by the Trust.

6. Malus, Clawback, and Governance

Awards are subject to malus and clawback in line with CBB rules. The NRC will oversee the governance and application of these rules under ESIP.

7. Corporate Events and Adjustments

Awards are adjusted for bonus share issues, rights issues, and similar corporate actions. A 30% or greater change of control triggers accelerated vesting.

8. Exit Scenarios

- **Bad leavers:** Forfeit all unvested shares.
- **Good leavers:** Treatment at the discretion of the NRC.
- **Death or disability:** Awards vest on an accelerated basis.

9. Strategic Impact and Rationale

The ESIP supports long-term talent retention, reduces immediate cash outflows and aligns management's interests in Company's long-term strategy and shareholder value creation.