

Part 2: The Directors' Remuneration Philosophy and Policy

The Company's proposed Remuneration Policy (the "Policy") is included in this section on pages 62 to 69. At the 2025 AGM to be held on 24 September 2025, a binding resolution to adopt the Policy will be put to shareholders for approval. The Policy is set to apply, subject to shareholder approval through to the 2028 AGM.

Context

At the IPO of the Company in 2021, new remuneration arrangements were introduced covering both the Executive Directors and the other members of the Board. The Company's Remuneration Policy was approved by shareholders at the 2022 AGM. The Policy provided detailed figures for the implementation of the Policy covering the period to, and including, the 2026 financial year (i.e. the current year). This Policy, including the specific figures, has been implemented as envisaged, without amendment, in each year up to the current year. In the current year the Policy has been implemented exactly as was stated in 2022 (although as noted on the previous page, subject to approval of the 2025 Policy, the Committee intends to grant top-up LTIP awards).

All full-time employees of the business, including the Executive Directors, are based in the three Baltic countries, with the majority, including the Executive Directors, based in Lithuania.

Our Philosophy and Policy is broken into three sections:

Section 2.1 provides a narrative description of the process adopted by the Committee in developing the Policy. It focuses on our assessment of our previous Policy and any issues we focused on.

Section 2.2 describes what we think we should do, and why. As we concluded that our existing Policy has and should continue to serve us well, this section principally reflects how we re-apply the current approach for the next few years.

Section 2.3 sets out our formal Directors Remuneration Policy including the terms of employment. While shareholders will vote above all on the contents of Section 2.3, we believe that including our experience, reflections and thinking, set out elsewhere in Section 2 is important.

The proposed Policy is almost unchanged compared to the Policy approved at the 2022 AGM. The main change is a proposed increase to the permitted absolute maximum value of LTIP awards and allowing that maximum to increase in line with increases in Executive Director salary arising from general salary increases in the Company.

Our previous Policy, and our Policy proposed here, differ from the Policy of most UK publicly listed companies. The differences are accounted for by the overarching aims of simplicity, transparency and objectivity, and differences influenced by the Lithuanian context. They also differ in terms of the level of remuneration being materially lower than the average for companies of a similar market capitalisation.

2.1 The process by which the Committee formulated the Policy

The Committee took as a starting point the existing Policy set out in the 2022 Annual Report approved by shareholders at the 2022 AGM. The 2022 Annual Report set out at some length the background, context and thinking which went into the creation of the Policy at our IPO in 2021.

Our Objectives and the Culture and Needs of the Company are as set out in the 2022 Annual Report and reprinted as Exhibit 1 and Exhibit 2. The only change from 2022 is the removal of a single objective that related directly to being a company that had just become public.

Exhibit 1: Objectives

We set ourselves the following objectives:

- 1 Establish an approach to, and level of, remuneration that is likely to result in BCG retaining its existing Executive team.
 - 2 Establish an approach to and level of remuneration that is likely to be capable of attracting future talent, particularly should it be required at the Executive Director level.
 - 3 Establish an approach which not only is consistent with the culture of the Company but actively supports the culture and needs of the Company, including, for example, aligning all Executive benefits with the rest of the organisation.
 - 4 Ensure that the overall level of remuneration is modest by public company standards and is appropriate for the local living standards of the Baltic states where the Executives reside and where the business is operated from, rather than the UK where the Company is listed.
 - 5 Create a structure that is significantly simpler than found in the considerable majority of public companies.
 - 6 Ensure the structure and targets are aligned with the strategy of the business.
 - 7 Create a structure intended to be durable and where shareholders know what to expect over a number of years. We believe the right Executives prefer to focus at all times on what is right for the business and that continuously reopening and adjusting the approach to remuneration rarely, if ever, results in more motivated executives.
 - 8 Articulate our policy in a simple and transparent way with the minimum of jargon, including expressing things wherever reasonably possible in terms of absolute values of money rather than in a series of ratios and percentages.
 - 9 Conform with public company best practices in relation to protecting shareholders from excess remuneration being paid in the case of poor business performance and particularly with regard to any instances of unethical or more generally reputational damaging behaviour by Executives. This includes Director shareholding requirements, holding periods, Board discretion on payments and clawback provisions.
 - 10 Set targets that are subject to auditable, objective and independently verifiable measures without the need for Board discretion or opaque formulae.
 - 11 Ensure that for any given absolute level of remuneration, Executives receive it in a way that maximises its effectiveness to them in terms of making them feel valued.
 - 12 Avoid as far as possible, approaches that could give rise to significant rewards to Executives arising incidental to their performance in running the business.
 - 13 Ensure that Executives' remuneration does not influence, nor is affected positively or negatively by the decisions the Board takes on capital policy (e.g. distributing or retaining cash in the business; distributing through dividends or using share buy-backs).
 - 14 Adopt a process in determining remuneration, and in administering remuneration, which is consistent with the focus on low costs exhibited in every other area of the business.
- Removed:
- 15 *Ignore the impact of pre-existing equity ownership and additional equity ownership resulting from the IPO (i.e. the triggering of the private equity incentive scheme) on future reward structures and levels.*

Exhibit 2: Culture and needs of the Company

We identified the following features of the Company:

Specifically on Executive remuneration

- 1 The Company has historically adopted the same structure for remuneration across all employees, with the only exception being that a group of Senior Management participates in a long-term equity-based incentive scheme, typical of those employed by private equity owners.
- 2 Performance based incentives related to the overall performance of the business, not personal performance measures.
- 3 The Company did not pay annual bonuses to any employee and, over the years, has gone to considerable effort to remove annual bonuses from companies it has acquired.
- 4 The Company has absolutely minimal employee benefits, with those benefits that do exist, open to all employees.
- 5 Awards in the private equity Management Incentive Plan were not based on Executives' base salaries.

Wider cultural factors

- 6 The Company has a relentless focus on simplicity and clarity in everything it does and is extremely cost conscious.
- 7 The Company has a history of making acquisitions in the Baltic region. Part of the acquisition process is to move employees and Executives of the acquired business into the BCG remuneration structure rapidly.
- 8 The Executives seek to be, and are expected by staff to be, exemplars of all the behaviours that they value in others, including when it comes to remuneration.
- 9 The Executives see their own remuneration as a significant component of the overall costs of the business. Their remuneration can influence the level of remuneration paid to their direct reports. They seek strong profit growth, including from limiting the growth of the cost base.
- 10 The CEO has a history of significant equity ownership. Following the IPO, the private equity management incentive scheme will leave the Executive Directors and other long-term employees with substantial equity in the business. In line with a high proportion of Baltic companies, receiving remuneration in the form of dividends is a normal part of the remuneration, most likely reflecting the specific economic history of the region and wide differences in taxation rates on income (above 40%) and dividends (around 15%).
- 11 The Lithuania government does not operate any share ownership schemes which give favourable treatment or which incentivise a wide range of employees to buy shares in their business.

The Committee took as additional input:

- 2.1.1 An update from our Remuneration Consultants on changes to remuneration and wider employment practices since 2022.
- 2.1.2 Shareholder feedback received on the 2022 Policy and on subsequent Remuneration Reports.
- 2.1.3 The Remuneration Committee's own assessment of how well our Policy had served the Company.

Recommendations regarding NEDs remuneration were passed to the Board for consideration by those Board members who would not be the beneficiary of proposed changes.

2.1.1 Update from Remuneration Consultant on changes in practices

The Committee concluded that the relatively limited changes to remuneration practices in public companies since 2022 were already provided for in our Policy, employment contracts and LTIP scheme rules.

2.1.2 Shareholder Feedback

Shareholder feedback on the 2022 Policy had been favourable and the Policy had been approved with a 97.77% vote in favour. The main areas shareholders had explored were (i) the merits and disadvantages of including ESG targets in LTIP performance criteria (ii) whether setting specific numbers for remuneration over a five-year period (three years remaining at the time of the vote) afforded sufficient flexibility.

Subsequent to the approval of the Policy, the only remuneration-related feedback received by the Committee was a suggestion that the EPS targets set in the first two years of the Policy may have been "soft". We accept this observation, especially with the benefit of hindsight. However, we consider the achievement of the maximum award for both these years as being appropriate given the business performance, especially given the war in Ukraine. Subsequent awards have been against what we intended to be progressively more demanding targets. Nonetheless, with the overall level of awards for Executives being modest and the absence of an annual bonus, the Committee would want shareholders to have an expectation that achievement of targets might exceed the average of around 65% vesting (a long-term average among FTSE350 companies).

Shareholder voting at AGMs has not indicated any concern regarding the Policy or its implementation. Remuneration Reports have received 96.75% and 98.00% votes in favour at the last two AGMs.

2.1.3 Self-assessment of the previous Policy

Assessment of the previous Policy in practice

The Committee felt that the Policy had operated well. This assessment was based on five main considerations.

First, there had been a 100% retention over 5 years of the key Executives and close to 100% retention among a wider group of around 50 senior managers and key people who have received awards under the LTIP. The 3 people who had left at their instigation did not give remuneration as a significant reason for doing so.

Secondly, the Policy had been simple and uncontentious in its implementation from an internal perspective. The Committee had not needed to exercise judgement or consider, let alone approve, the use of discretion. The Policy had provided clarity and certainty to employees. It achieved the objective of feeding in higher costs into the business post-IPO in a gradual and predictable manner. In particular, the Committee felt that the absence of an annual bonus, and the associated levels of effort that might have gone into setting annual bonus targets, had contributed to simplicity, efficiency and transparency.

Thirdly, performance targets based solely on a profit measure, and specifically not including ESG targets, had worked well. The Company set out its ESG Policies after the approval of the previous Remuneration Policy. There were many areas covered by the Policies rather than one or a very small number of targets. The Committee did not feel comfortable using a large number of targets, nor in establishing an internally defined ESG performance "basket" of KPIs, as this introduces complexity and lacks transparency.

Lastly, the Remuneration Committee noted that the levels of remuneration had not been tested in the practical circumstances of seeking to recruit a new member of the Senior Management team, especially where candidates from beyond the Baltic region were under consideration. In 2022, the Committee had expressed a concern to investors that levels would be a potential barrier to exploring the wider market for key executives and other board members. This concern remains. Given the stability

and motivation of our Executives and our success in appointing high-quality NEDs from the Baltics region, the probability of having to access the wider European talent pool seems low. However, the gap between our remuneration and those of the wider market has widened, making the situation even more challenging should the need arise. In the end, the Committee felt that there was little benefit in seeking to address what was a hypothetical situation and where the cost to the Company might be substantial.

Main issue arising from our previous Policy

Our goal, over the five years since IPO, and the period covered by the Policy, had been to migrate Executive Director base salaries from levels substantially below public market norms to our target of achieving lower quartile base remuneration against a benchmark of UK-listed public companies. We have signally failed to achieve this.

At the end of last year, we reviewed benchmark data using the same methodology as in 2022. This involved establishing a benchmark group of FTSE-listed companies. For us this was a group

of 54 companies ranked from 151-250 in the FTSE by market capitalisation (excluding non-operating companies and financial services companies). Baltic Classifieds Group was, at the time of conducting the benchmarking and at the time of writing at or above the mid-point of this group by market capitalisation. We then took the data on board compensation for this group, converted it to Euros (at £/€ rate of 1.21), applied the UK/Lithuanian purchasing power parity (83.3%) and adjusted for differences in the approach to national insurance (in Lithuania national insurance is similar to the UK but materially all of it is deducted from the employee and not the employer). We then indexed the numbers by 3% a year to reflect that the benchmark data related to compensation as reported in 2023-2024 and we were seeking to establish data to assist us in setting compensation for 2026-2027.

The results indicated that base salaries and board fees were around three-fifths (c.60%) of those of the median of the benchmark group. Compared to the lower quartile (our target level of remuneration) base salary and fees were around two-thirds (c.66%). Many factors contributed to this

wide discrepancy, including salary rises among other FTSE companies over the last five years, use of a different benchmark group given the significant increase in the Company's market capitalisation reflecting our progressive increase in underlying earnings, strengthening of Lithuanian purchasing power and changes to the pound-to-euro exchange rates.

The situation was even more extreme when looking at the maximum total remuneration. Five years ago we decided to express the size of LTIP awards as fixed amounts unchanging over a five-year period. This was intended to provide clarity to shareholders and to avoid complications as we migrated base salaries from the low pre-IPO levels to those more normal for a public company. However, we had failed to recognise the extent of the impact of rapid growth in nominal and real base salaries that were to occur over the subsequent years.

As a result, the value of LTIP awards for Executives have fallen to unusually low levels when expressed as a percentage of salary, as well as in absolute terms for a company of BCG's market capitalisation (see Table 2).

Table 2: Decline in value of LTIP awards over five years

	At IPO:			For 2026, if we were to implement our Policy as originally planned:		
	Base salary	Max LTIP	LTIP as percentage of salary	Base salary	Max LTIP	LTIP as percentage of salary
CEO	€250,000	€700,000	280%	€512,393	€700,000	137%
CFO	€150,000	€300,000	200%	€307,436	€300,000	98%
COO	€200,000	€500,000	250%	€409,914	€500,000	122%

Maximum total remuneration for the Executive Directors is around a third of median for the benchmark companies and below two-fifths (c.40%) when compared to the lower quartile.

2.2 Thinking regarding policy for the next three years

2.2.1 Overall approach

The Remuneration Committee believes the overall structure of remuneration in the Company has served shareholders well and intends to continue with the current approach:

- a base salary which is competitive for the Lithuanian market;
- no annual bonus;
- no pension (unless the Company introduces an all-employee pension scheme in which case Executive Directors should automatically be able to participate on the same basis of other employees);
- no material benefits in kind and none that are not available to other employees;
- a long-term incentive plan (LTIP);
- conformity with best practices regarding notice periods, termination payments, minimum holdings, clawback provisions and other aspects of employment conditions.

2.2.2 Remuneration Levels

Base salaries for Executives

Our previous Policy aimed to move Executive base salaries to lower quartile levels for UK-listed companies of a similar market capitalisation, after adjusting for differences such as purchasing power parity and treatment of social security taxes. The approach was to phase in increases evenly over five years, thereby avoiding a significant step change to the Company's cost base.

The Committee considered the considerable gap between remuneration at the Company and that among the benchmark companies. The Committee concluded that salary and fee levels would be inadequate to give the Company access to the range of executive and non-executive talent should we need to recruit from outside the Baltic region. Should the Company acquire or merge with another company operating elsewhere in Europe there would most likely be a significant mismatch in terms of remuneration in that business.

However, the level of base salaries had not been a cause of problems for the Company over the previous five years. We had retained our three Executive Directors. Executive Director remuneration was sufficiently higher than that of other senior employees for there to be headroom for other senior executives to progress. We had hired senior talent in the local market. We had also succeeded in hiring high calibre Non-Executive Directors. Undoubtedly, the high level of share ownership among Executives and among several of the Non-Executives was a factor, as was the prestige of the Company in the Baltics and the relative lack of other public company opportunities for Executives and Non-Executives in the region.

Ultimately, the Committee, in consultation with the Chair and Executive Directors, decided that base salary levels are now at an appropriate level given the culture of the business, even if very substantially below similar valued public companies.

Therefore, during the next Policy period, we intend to assess base salary levels on their own merits without reference to a specific benchmark level. The Committee noted,

and broadly agreed with, the Investment Association's and ISS's concerns about the use of benchmarks in creating an upward "ratchet" effect on executive compensation.

The Committee did decide to propose a small change to its Policy with regard to annual pay rises for Executive and Non-Executive Board members. Our previous Policy had been to increase all Board member salaries and fees by the "basic" increase in salaries received by employees more generally. For the coming three years it is proposed that the increase be based on the "average" increase in salaries in the business (on a like-for-like basis) rather than the basic increase. The basic increases have generally been the pay rises received by people in customer service and administrative roles; specialists, particularly technology employees, have seen substantially higher pay rises.

Shareholders should expect base salaries for the existing Executive Directors and Non-Executive Directors to remain unchanged for the duration of the period covered by this Policy, with the exception of annual increases in line with the average increase received by employees of the Company more widely. Such increases are likely to be significantly higher than in the UK reflecting differences in inflation and real wage growth. This represents a difference from the preceding five years when Executive salaries (but not Chair or NED fees) increased considerably faster than those of other employees, as a result of the phasing in of their post-IPO salaries in equal amounts spread over five years.

Should the Company need to recruit executive talent from outside the region or the Company makes acquisitions outside the Baltic region then it is likely that we would have to revisit our Policy, potentially involving significant increases to remuneration. We appreciate that some investors and advisory organisations have policies which disapprove of awarding higher remuneration to newly recruited directors compared to the previous job holder. But we believe that investors will understand why this would be necessary if this circumstance arose. The alternative of bringing remuneration up to a level where this was unlikely to be necessary, especially without us knowing the precise circumstances that could occur, would seem perverse and be expensive for no immediate benefit.

	Proposed total maximum remuneration (assuming some value to the very limited access to additional benefits) (€ thousands)	Benchmark Lower quartile (€ thousands)	Benchmark Median (€ thousands)
CEO	2,515	3,089	3,587
CFO	1,310	1,953	2,336

Annual Bonus

The Committee decided to continue with the policy of not having an annual bonus scheme.

LTIP

At IPO, and in our 2022 Policy, we set the size of LTIP awards as absolute values that would not increase year by year. In the early years these implied a relatively high multiple of base salaries falling to modest multiples as we progressively raised base salaries. Given the effect of the much more rapid Lithuanian wage growth over the five years of our Policy, discussed above, our LTIP awards imply an unusually low multiple of base salaries compared to market norms.

We intend to continue to express the maximum LTIP award in terms of absolute values but plan to increase annually the maximum potential award in line with increases in Executive base pay, to the extent that base pay increases in line with the average pay increases in the Company as per our Policy.

In considering the level of LTIP awards for Executive Directors, the Committee decided it would seek to set LTIP awards at levels that would make total maximum compensation still within (and not at) the bottom quartile for companies of a similar market capitalisation. However, in the event of the LTIP award vesting in full it would provide an opportunity for Executives to receive compensation somewhat closer to lower quartile than that which they would receive based on base salary comparisons alone. The Committee did not determine the levels of LTIP award in terms of them being a particular percentage of base salary but by considering what we believe are the appropriate motivation of the Executives we have and the absolute value compared to our benchmark group.

From 2027 financial year we are proposing to make awards under the LTIP up to the following levels:

- CEO: €2,000,000
- COO: €1,500,000
- CFO: €1,000,000

While these awards would be around the level of the upper quartile for the LTIP component of remuneration for companies in the benchmark group, the result would still be for the total maximum compensation to fall firmly within the bottom quartile:

The benchmark is based on the methodology described on page 64.

The Committee will assess the level of the awards annually to ensure they remain appropriate.

Overall compensation

We believe our proposed Executive compensation is:

- motivational to our Executives who continue to hold significant shareholdings in the Company;
- modest compared to that generally in public companies;
- aligns Executives with the creation of shareholder value; and
- simple and transparent both in terms of how it is structured and in the ability of shareholders to see how outcomes match to performance.

At the time of writing the Company ranks around the mid-point in a ranking of FTSE350 companies by market capitalisation.¹ Our proposed salary for our CEO would be below that of around 95% of FTSE350 companies. Our proposed total maximum compensation for our CEO would roughly be below that of around 85% of FTSE350 companies. Our CFO compensation would rank lower. Data for how our COO ranks is not available, reflecting differences in the role of COO where it exists.

2.2.3 Considerations regarding Chair and NED remuneration

At the time of setting out our previous Policy in 2022 the Chair and Non-Executive Directors either held significant holdings of Company shares or served on the Board as a result of their employer's rights as a significant minority shareholder (and not receiving a fee from the Company). We therefore set the Chair and NED fees significantly below market practice for a FTSE company, helping with the goal of keeping the costs of the Company low and for consistency with the Executive Directors.

Fees have been increased each year based on the level of salary increases applied within the Company more generally (as for the Executives).

In seeking additional independent NEDs we received feedback that our fees are inadequate for the time commitment and risks involved in being a director of a public company. Nonetheless, we have been able to recruit two further NEDs. In both cases they are Lithuanian (we had an objective to increase the proportion of our Board who live and work in the Baltic region). Given the extremely limited opportunities to serve on public boards in Lithuania and the high regard held locally for the Company, the level of remuneration proved not to be a barrier to securing these talented individuals.

On reflection, while we felt there was a strong case to increase Chair and NED fees, we decided not to recommend doing so.

¹ Numbers are slightly complicated by the presence of Investment Trusts for which remuneration data is not publicly available. The percentages given are based on the position our proposed remuneration ranks among operating companies. To the extent that remuneration in Investment Trusts might differ from that in operating companies of a similar market capitalisation, the percentages could be slightly higher or lower.

2.3 Our Directors Remuneration Policy

In this section we aim to bring all the information on the actual terms of employment and remuneration into a single place.

Executive Directors

Base salary		Long-term Incentive Plan	
<i>Purpose and link to strategy</i>	To retain and attract Executive Directors to deliver the strategy	<i>Purpose and link to strategy</i>	To retain and attract Executive Directors to deliver the strategy
<i>Operation</i>	Paid in cash and reviewed annually, normally taking effect on 1 May.		The PSP aligns the interest of selected employees with those of shareholders and may act as a retention tool
<i>Maximum opportunity</i>	Salary increases will not normally exceed those of the wider workforce. For 2026 maximums are €512,393 for CEO, €409,914 for COO and €307,436 for CFO		To achieve simplicity and transparency and minimise the need for the Committee to exercise discretion
<i>Performance measures</i>	Not applicable	<i>Operation</i>	PSP awards are made annually in the form of conditional shares or nominal cost options. The intention is to use a share price based on the average of the daily closing share prices for the previous three months. Awards normally vest over a period not shorter than three years and in the case of nominal cost options would normally be exercisable up to 10 years from grant
Benefits			Performance condition(s) apply and will be disclosed in the annual report prior to award. Normally 25% of awards vest for threshold level of performance
<i>Purpose and link to strategy</i>	To maintain the low cost base, simplicity and consistency with other employees of the Company		Awards will normally be subject to a further two-year holding period
<i>Operation</i>	No benefits are payable		The value of dividends paid between grant and vesting will accrue to the benefit of PSP participants
<i>Maximum opportunity</i>	Should benefits be introduced for all employees, Executive Directors would be eligible on the same basis One-off or ongoing benefits may be provided in the event that an Executive is required to relocate or in other exceptional circumstances		Exceptionally, at the discretion of the Committee, settlements may be made in cash
<i>Performance measures</i>	Not applicable		The level of awards is reviewed annually to ensure that it remains appropriate
Pensions		<i>Maximum opportunity</i>	The maximum annual award is set by the scheme rules at 500%
<i>Purpose and link to strategy</i>	To maintain the low cost base, simplicity and consistency with other employees of the Company		The Policy is to award an absolute value of €2,000,000 for the CEO, €1,500,000 for the COO and €1,000,000 for the CFO in 2027 and increase these amounts annually in line with base salaries, likely to be 10% or somewhat lower
<i>Operation</i>	No pensions are payable	<i>Performance measures</i>	The intention is to use EPS, with the Committee exercising discretion primarily in relation to the significant impact of acquisitions, demergers or variations in share capital
<i>Maximum opportunity</i>	Should pensions be introduced for all employees, Executive Directors would be eligible on the same basis		The rules of the PSP offer discretion to the Board to vary the choice of performance measures / targets prior to setting those targets
<i>Performance measures</i>	Not applicable		The Committee reserves the right to adjust PSP vesting levels if it considers that the outcome would not otherwise reflect the performance of the Company or the individual. The Committee may adjust targets, provided such changes do not make the targets materially less difficult to satisfy than envisaged at the time of award
Annual Bonus			
<i>Purpose and link to strategy</i>	To maintain the low cost base, simplicity and consistency with other employees of the Company		
<i>Operation</i>	No annual bonuses are payable		
<i>Maximum opportunity</i>	The Committee does not envisage revisiting the question of annual bonuses prior to 2028		
<i>Performance measures</i>	Not applicable		

Share ownership guidelines, malus and clawback	
<i>Purpose and link to strategy</i>	Help ensure Executive remuneration is aligned with the interest of shareholders
<i>Operation</i>	Executive Directors are expected to hold shares in the Company of at least the following values: CEO €2 million, others €1 million Should Executive Directors not hold sufficient shares to meet the guideline they will be required to retain at least half of all vested shares received under any scheme Executive Directors are expected to maintain their minimum holding for two years following their departure from the Company. Malus / clawback provisions apply to the PSP in the following circumstances: <ul style="list-style-type: none"> material misstatement of financial information; serious misconduct; material failure of risk management; serious reputational damage; serious corporate failure; error in the number of shares awarded; error in calculating performance or performance calculations based of misleading data; and/or other circumstances of a similar nature at the discretion of the Non-Executive Directors. Malus and clawback provisions will apply for a period of five years from award. There will be no time limit in applying malus / clawback provisions from actions through the legal system against Directors or through deliberate concealment of information by Executives that subsequently becomes known to the Board, subject to the provisions being implemented within two years of the completion of the legal action or the information becoming available
<i>Maximum opportunity</i>	Not applicable
<i>Performance measures</i>	Under certain circumstances, the Committee has the discretion to waive the minimum share ownership guideline. Situations of personal hardship would be the most likely to be considered

Employment contracts and leaving policies

The Executive Directors are each subject to a Board appointment letter, under the law of England and Wales, and a service contract, under the law of the Republic of Lithuania. The Board appointment letters are for a fixed-term and the service contracts are rolling contracts with no fixed expiry date.

The Board appointment letters are terminable on written notice by either party, or earlier if employment ceases earlier under the service contracts. The notice period is 12 months for the CEO and six months for other Executive Directors. The Board appointment letters require, at the Company's discretion, the Executive to resign from employment effective on termination of their Board appointment.

The appointment letters and service contracts are available for inspection at the 2025 AGM and at the Company's registered office.

In the event of early termination, a payment in lieu of notice may be based only for the outstanding notice period and may be paid monthly or as one or more lump sums at the discretion of the Committee. Except for instances of retirement, long-term ill-health or other compassionate reasons, payment will normally be subject to mitigation based on the individual taking reasonable steps to find an alternative position. The Committee may make any other payments in good faith to discharge existing legal obligations or to settle claims arising from the termination.

The Board appointment letters and the service contracts of Executive Directors contain provisions to secure intellectual property rights. The Board appointment letters provide 12 months non-solicitation. The Company retains the right, at its discretion, to apply post-employment non-compete provisions for up to 12 months via the service contracts, subject to the payment of a significant proportion of the employee's base salary during that period (as required to have confidence of enforceability in Lithuania).

The treatment of leavers under the Company's LTIP is determined by the rules of the PSP. Outstanding awards will lapse unless the leaver is deemed by the Committee to be a "good leaver". Death is automatically considered as a "good leaver" and awards would vest immediately subject to the Committee's reasonable assessment of the extent to which performance criteria are likely to be met. The Committee has discretion to determine that other leavers are "good leavers", with discretion likely to be considered in cases where the individual is leaving for reasons of retirement, redundancy, long-term illness or compassionate reasons, considered to be in good faith. The Committee has the discretion to determine the basis of vesting. Typically, vesting will take place on the same basis and against the same performance conditions as if the person had stayed and the proportion vested be adjusted pro-rata for the proportion of the vesting period during which the individual was actually employed. The normal period for exercising an option is 12 months from vesting.

Holding periods, minimum shareholdings, malus and clawback

Our pre-existing Policy has strong protection for shareholders from payment for failure or improper behaviour. To date, we have not been required to consider, let alone invoke, any malus or clawback provisions.

We reviewed all our Policies in relation to holding periods and malus and clawback. We concluded they conformed to best practice. Therefore, no changes have been proposed to our approach.

However, with the proposed increases to Executive Director remuneration we considered it appropriate to increase the level of minimum shareholding we expect of Executive Directors. We express the amounts in terms of absolute value rather than percentages, but the new minimum holding levels will be increased to reflect the increase in the proposed value of awards under the LTIP.

Our Policies in these regards are set out in the table on the left.

Setting of targets in the Long-Term Incentive Plan

The primary business strategy of the Baltic Classifieds Group is the rapid organic growth of revenues and profits in our core geographical online classified advertising market. Therefore, the best alignment of strategy to long-term Executive compensation is in the area of revenue and profit growth.

We decided to continue with our existing policy of setting performance targets based solely on the third-year basic EPS, with the Committee exercising discretion primarily in relation to the significant impact of acquisitions, demergers or variations in share capital.

In determining our choice of target we did consider other options to form all or part of the target or targets. These included revenue growth, total shareholder return versus a comparator group, non-financial targets, and particularly ESG related targets. Our reasons for rejecting these were the same as when we set our previous Policy and are set out at some length in our 2022 Annual Report. In particular, while revenue growth continues to be our priority, with costs very low and margin very high, there is no practical possibility of achieving the profit targets without revenue growth contributing to all of the growth in profits. Therefore we did not set a separate revenue growth target. At that time we had not defined our ESG programme so we did not have ESG priorities available to incorporate as targets. While we now have ESG priorities we did not consider any single one, or small number to be more important than others. On the grounds of lack of transparency, we rejected the idea of defining and measuring an internally generated "basket" of ESG targets, as some companies have adopted. There are also some practical issues in setting targets in relation to things like carbon emissions and representation of minorities on the Board that reflect recent geopolitical events.

We could envisage making adjustments to targets in the event of material acquisitions or the company substantially changing its capital return policy. Over the last four years we have made small acquisitions but have not considered them sufficient to warrant changes to targets. Similarly, we have operated a share buyback programme using cash generated recently and from normal operations. An expectation that we will do share buybacks on this relatively modest basis is factored into our thinking when setting our EPS targets. We therefore believe that making other adjustments to our EPS target, either at the time of grant or subsequently, is unlikely and is a direction in which the Committee would prefer not to go.

Publication of targets

Shareholders should expect targets to continue to be published as part of the Annual Report published before or shortly after the awards are made. The Board wishes to reserve the right not to make disclosures where the nature of the target might be sensitive.

Timing and pricing of share awards under the long-term incentive plan

We propose to continue to grant awards once a year. The price used will be the average daily closing price of the shares in the period of the last three months prior to the grant date. This could result in the award of a larger or smaller number of shares than would be awarded at the share price on the day of the grant. Though from time-to-time awards may be made at what seem like favourable or unfavourable prices, relative to the price on the day of the award, the continuity and consistency embedded in the approach should even these out over time, the ultimate value realisation for Executives being at least five years away.

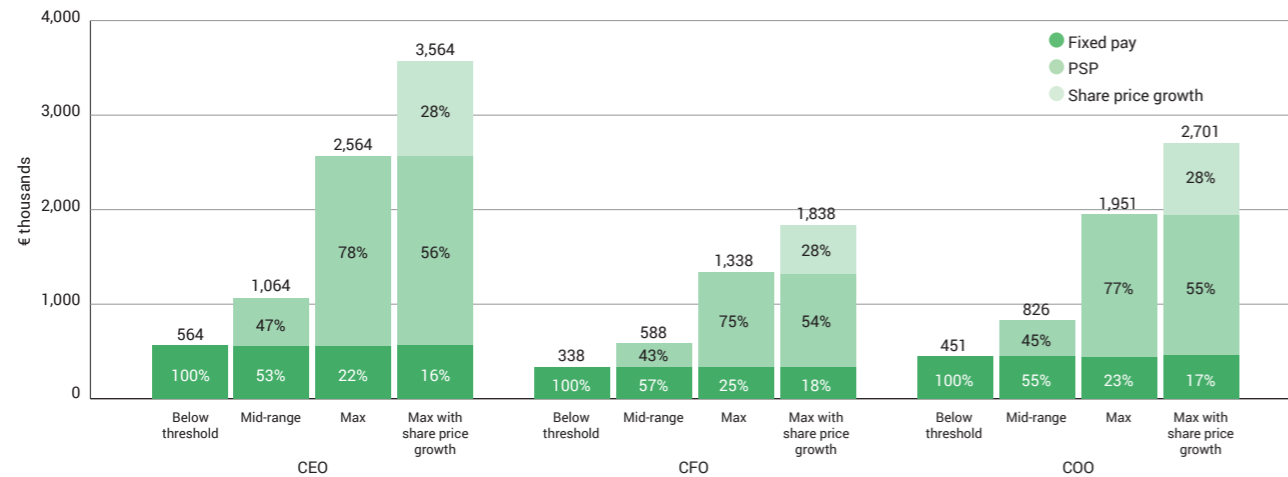
The Committee has the right not to make grants at share prices that are artificially low (or indeed high). However, shareholders should not expect the Committee to be likely to exercise this right, given that the Committee does not believe it has any particular ability to judge the collective view of the stock market and its investors as being incorrect.

Remuneration outcomes in different performance scenarios

The below charts illustrate how the composition of the Executive Directors' remuneration packages varies under three different performance scenarios: below threshold; mid-range; and the maximum, both as a percentage of total remuneration opportunity and as a total value. The maximum performance scenario is also shown with a 50% share price increase on the LTIP. It should be noted that these scenarios are for illustrative purposes only and have been determined using the approach specified in the regulations. They should not be construed as profit forecasts or a prediction of share price movements.

Assumptions:

- Below threshold = fixed pay only
- Mid-range = fixed pay plus 25% vesting under the PSP
- Maximum = fixed pay plus 100% PSP vesting
- Maximum + share price growth = fixed pay plus 100% PSP vesting with a 50% increase in share price applied to the PSP award



Salary levels used in the illustration are Executive salaries for 2026 increased by assumed 10% inflation to arrive at 2027 base salary levels. PSP figures reflect PSP awards proposed under the new Policy. Aside from the maximum + share price growth scenario, no share price increase is assumed and any dividend equivalents payable are not included.

Recruitment Policies

When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:

- The service contract terms and notice period would be in line with that of the previous holder of that position, or the COO, in the event of it being a new role.
- The package, including base salary, would be set to be market competitive to facilitate the recruitment of individuals of sufficient calibre to lead the business. At the same time, the Committee would intend to pay no more, nor less, than it believes is necessary to secure the required talent. In practice, where an issue with existing levels of Executive Director remuneration is likely to arise is if the relevant "market" is the pan-European talent pool of digital executive talent. However, our aspiration, and given the language constraints, the more likely scenario would be that the relevant

"market" is the Baltic region, with the Company itself a leading source of local talent.

- In the case of recruitment, the LTIP award would be limited to 500% of base salary. To the extent that base salary was significantly higher than that paid to existing executives, shareholders should reasonably expect the LTIP awards as a percentage of base salary to be significantly lower.
- We would seek to determine a remuneration package within the existing structure of base salary and LTIP, including conforming to the rules and limits set in the PSP rules. Should this not prove possible, we would disclose any additional components in the relevant Remuneration Report, together with our view of the implications for the remuneration of other Executive Directors and the wider workforce.
- Where an individual forfeits outstanding variable pay opportunities or contractual

rights at a previous employer as a result of the appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting time frame of forfeited opportunities. The guiding principle of such an arrangement would be that such payment or awards were no more than a reasonably assessed "like-for-like" compensation. The Committee may grant awards in such circumstances relying on the exemption in the Listing Rules which allows for grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director without seeking prior shareholder approval.

- The Committee may provide assistance with relocation, with a strong emphasis on one-off costs as opposed to ongoing payments.
- In the event of the appointment of an internal candidate, pre-existing

entitlements would normally be honoured. Should the employee not meet the shareholding guidelines at the time of appointment, the requirement to retain half of all vested shares until the requirement be met would only be applied to awards made subsequent to the new appointment.

Wider management and employees

Remuneration arrangements are determined throughout the Group based on the same principles as for the Executive Directors. The rest of the Senior Management team does not receive annual bonuses or sales bonuses (sales bonuses exist at more junior levels).

Participation in the LTIP is determined each year, with no employee (other than the Executive Directors and two senior employees) having an entitlement to participation as part of their terms of

employment. The intention is to continue to target awards to key employees, often different employees each year, with the aim of achieving widespread share ownership.

Consideration of the views of employees

The Committee does not consult with employees formally on its Remuneration Policy for Directors. However, in our annual meetings as NEDs with employees, we do seek feedback on their views regarding compensation of Executives as well as compensation more generally in the Company. The Policy puts consistency in treatment as a key principle which we believe is helpful with regard to its perception across the Company.

The Committee, and Board more generally, has not received any adverse comment on board level compensation either through our formal employee engagement activity or through other channels. A significant

proportion of the employees of the Company have or are likely to benefit from share awards made under the same terms as those for Executive Directors.

Investor Consultation

The Committee consulted with major shareholders in developing this Policy. The Committee will consider shareholder views throughout the year and at the 2025 AGM.

Assessment of the remuneration arrangements against factors identified in the Corporate Governance Code 2018 (the "Code")

Our Policy has been designed with regard to the six factors listed in the Code: clarity; simplicity; risk; predictability; proportionality and alignment to culture.

<p>Clarity</p> <p>We believe the Policy has clarity. Above all, the clarity flows from the simplicity. Clarity of outcome is further enhanced by reducing the need and opportunity for the Board to exercise discretion. All numbers used in setting and measuring targets are subject to audit and published annually.</p>	<p>Simplicity</p> <p>We believe the Policy is self-evidently simple. This starts at the highest level by only having two of what are normally five elements of remuneration: we have salary and long-term incentives, we do not have other benefits, pensions or an annual bonus. The absence of an annual bonus we consider of particular benefit in achieving simplicity.</p>	<p>Risk</p> <p>Appropriate limits are set out in the Policy and within the plan rules. The long-term nature of what we would hope will be the majority of the remuneration encourages a long-term sustainable mindset. Clawback and malus provisions fully meet with best practice.</p>
<p>Predictability</p> <p>Predictability again flows from simplicity. The approach has been explicitly thought about in terms of a timeframe of at least three years. As implemented, the most significant element of unpredictability in terms of outcomes may prove to be the future path of the share price.</p>	<p>Proportionality</p> <p>The nature and quantum of remuneration has been considered with specific consideration for the Baltics. The Committee retains discretion to adjust for unseen factors of which the most likely would be the effect of acquisitions. We do not envisage situations where the ultimate rewards for the Executive Directors could be driven materially by any other factor than the share price.</p>	<p>Alignment to culture</p> <p>The culture of BCG is focused on simplicity, high growth, with low costs, and a long-term ownership mindset. We believe this policy clearly aligns with this culture, a belief supported by our experience of implementing this policy over the previous five years since IPO.</p>

Self-assessment

The below table summarises qualitative self-assessment by the Remuneration Committee of the resulting remuneration arrangements.

1	Establish an approach to, and level of, remuneration that is likely to result in BCG retaining its existing Executive team	Yes	9	Conform with public company best practices in relation to protecting shareholders from excess remuneration being paid in the case of general poor business performance and particularly with regard to any instances of unethical or more generally, reputational damaging behaviour by Executives. This includes Director shareholding requirements, holding periods, Board discretion on payment and clawback provisions	Yes
2	Establish an approach to and level of remuneration that is likely to be capable of attracting future talent, particularly should it be required at the Executive Director level	Probably if internal or from Baltics, otherwise probably not	10	Set targets that are subject to auditable, objective and independently verifiable measures without the need for Board discretion or opaque formulae	Yes
3	Establish an approach which not only is consistent with the culture of the Company but actively supports the culture and needs of the Company	Yes	11	Ensure that for any given absolute level of remuneration, Executives receive it in a way that maximises its effectiveness to them in terms of making them feel valued	Seems to have been achieved to date
4	Ensure that the overall level of remuneration is modest by public company standards	Yes	12	Avoid as far as possible approaches that could give rise to significant rewards to Executives arising incidental to their performance in running the business	We believe so
5	Create a structure that is significantly simpler than that found in the considerable majority of public companies	Yes	13	Ensure that Executive remuneration does not influence, nor is affected positively or negatively by the decisions the Board takes on capital policy	Yes
6	Ensure the structure and targets are aligned with the strategy of the business	Yes	14	Adopt a process in determining remuneration, and in administering remuneration, which is consistent with the focus on low costs exhibited in every other area of the business	Yes
7	Create a structure intended to be durable and where shareholders know what to expect over a number of years	Yes, policy unchanged over previous five years			
8	Articulate our Policy in a simple and transparent way without jargon	Yes			