



**ELINOIL
HELLENIC PETROLEUM COMPANY S.A.**

Remuneration Policy

(Article 110 of Law 4548/2018 (Article 9a of Directive 2007/36/EC, Directive (EU) 2017/828)

June 2021





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File monitoring

Version No.	Issue date	Most recent amendment	Points changed
01	July 2019		<i>Initial Version</i>
02		June 2021	<ul style="list-style-type: none"> • <i>Addition of a change log</i> • <i>Reference to amendments to Law 4706/2020</i>



1. Introduction

The company ELINOIL HELLENIC PETROLEUM Company S.A. (hereinafter the **Company**) adopts, maintains and implements basic principles and rules on the remuneration of members of its Board of Directors, the CEO or their deputy (if applicable) (hereinafter the **Remuneration Policy**), who contribute to the Company's business strategy, long-term interests and viability.

The Remuneration Policy has been designed so as to be fair in relation to the pay conditions of all Company employees and seeks to bring the interests of Directors and senior executives into line both with the Company's strategic long-term objectives and viability, and with the interests of Shareholders.

The purpose of the Remuneration Policy is to make a substantive contribution to maximising the Company's value by developing a culture which seeks to achieve high performance levels, to constantly improve and develop the organisation, and to satisfy the objectives and interests of stakeholders. The Remuneration Policy provides the necessary guidelines which must be taken into account by the HR Division, so that a suitable company remuneration strategy can be developed and implemented.

This document sets out the Company's Remuneration Policy as initially approved by the minutes of the Board of Directors of 20-6-2019 and the decision of the annual Ordinary General Meeting of Shareholders of 12-7-2019, and its update effected by the minutes of the Board of Directors of 15-6-2021 and the decision of the annual Ordinary General Meeting of 7.7.2021, so that it complies with the Greek statutory and regulatory framework which has been established pursuant to the provisions of Law 4548/2018 on reform of the law of societies anonymes and Law 4706/2020 on corporate governance. Moreover, this Remuneration Policy has been prepared to reflect best domestic and European corporate governance practices, and is fully tied into the business strategy set out in the Company's Articles of Association.

2. Scope and Basic Principles

This Remuneration Policy applies to members of the Company's Board of Directors, the CEO and the Deputy CEO (if there is one) and is in accordance with the provisions of Article 110 of Law 4548/2018.

2.1 Basic Principles

The remuneration and benefits framework which derives from this Policy seeks to attract new, specialised and effective executives and to motivate and retain existing ones.

The Company's Remuneration Policy is based on the following principles:

- the Company's value system;
- determination of both fixed and variable pay based on performance;
- tying a major part of variable pay into the Company's performance;
- attracting and retaining the most suitable and capable employees to further develop the Company by monitoring and implementing remuneration practices in the Greek labour market and the respective practices implemented abroad by companies in the same sector or of similar size.



The Remuneration Policy promotes the correctness and effectiveness of risk management by taking suitable measures to avoid situations of conflict of interest or excessive risk assumption, while also linking that framework to general business objectives, values and corporate culture as well as long-term interests of the organisation.

2.2 Objectives

The main objectives of the Remuneration Policy are as follows:

- Compliance with the applicable statutory, regulatory and supervisory framework;
- Sustainable development of the organisation by creating a sense of Fair Pay, Commitment and Reward for executives at all levels;
- Attracting new capable executives, and retaining and motivating existing ones;
- Bolstering the interests and needs of Company executives and bringing them into line with those of shareholders;
- Providing suitable incentives to ensure that shareholder value is maximised by making remuneration competitive and laying strong foundations to generate value for the entire organisation for the benefit of all stakeholders (shareholders, management, executives, employees, suppliers, consumers, society as a whole).

3. Development – Review –Supervising Implementation of the Policy

The procedure for approving and amending the Remuneration Policy is laid down in the provisions of Law 4548/2018. Moreover, following the provisions of Article 11 of Law 4706/2020, the Company's Remuneration and Nominations Committee is charged with preparing and submitting the Remuneration Policy to the Board of Directors for approval. Following approval of the Remuneration Policy by the Company's Board of Directors, it is submitted to the General Meeting of Shareholders for approval. For reasons of independence and confidentiality, when discussions relate to the remuneration of a particular Director, that Director does not take part in that meeting.

The Remuneration and Nominations Committee is charged with examining at the very least the extent to which the Remuneration Policy is in line with business strategy each year and, if considered necessary, makes a recommendation that the Board of Directors amend it. Based on best corporate governance practices, every four years the Board of Directors amends and submits the **new Remuneration Policy** to the General Meeting of Shareholders on a recommendation from the Remuneration and Nominations Committee. That period may be shortened where that is considered necessary.

Where there are material changes in the conditions under which the approved Remuneration Policy was prepared, the Company's Board of Directors shall be obliged to submit the Remuneration Policy to the General Meeting of Shareholders for approval. In all events, the approval procedure must take place at least once every four (4) years.



4. Remuneration of Non-Executive Directors and Independent Non-Executive Directors

The Ordinary General Meeting of Shareholders in the Company issues a special decision approving the remuneration of non-executive and independent non-executive Directors, proportionate to the time such Directors spend on meetings of the Board of Directors and meetings of its committees.

Non-executive Directors, whether independent or not, may receive an annual basic fee for attending Board meetings and for performing the duties assigned to them. They may also be paid additional fees in cases where additional duties and responsibilities are assumed, such as chairing committees and/or participation in Board of Directors committees. The additional fees are fixed amounts and in all events are approved by the Company's Ordinary General Meeting of shareholders.

The fees of non-executive Directors and independent non-executive Directors are paid into their bank account and are subject to the withholdings specified from time to time in the applicable tax and social security legislation. In determining the amount payable, regard is had to the time spent by each non-executive Director and attendance at meetings of the Board of Directors and its committees.

Non-executive Directors (whether independent or not) do not participate in any pension, bonus or long-term incentive scheme and there is no provision for payment of bonuses, stock options or performance-based remuneration.

5. Remuneration of Executive Directors

The Remuneration Policy covers all pay paid to Executive Directors and this includes both fixed and variable pay which is referred to below.

In particular:

Executive Directors of the Company who run the Company and are charged with preparing corporate strategy, improving the Company's corporate profile and its long-term investment plan, while also checking day-to-day management of corporate affairs and ensuring the problem-free, smooth and effective operation of the Company, receive fixed pay under employment contracts.

At the time this Remuneration Policy was prepared, the Company has an active employment contract with the following Executive Directors, the key elements of which, in accordance with the provisions of Article 111(1)(g) of Law 4548/2018, are as follows:

Employment Contract with an Executive Director	Effective Term	Notice Period	Pension	Contract Termination Terms Payment for Contract Termination
1. Ioannis Aligizakis	UNLIMITED DURATION	—	—	—



2. Georgios Tsounias	UNLIMITED DURATION	—	—	—
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5.1 Structure of Overall Remuneration for Executive Directors

The overall remuneration of Executive Directors may include both a fixed and variable element to ensure remuneration is tied into their long-term and short-term performance in achieving business objectives.

The remuneration of Executive Directors can be divided into:

- Fixed pay: This is remuneration which is not associated with the Directors’ performance.
- Variable pay: Additional fees paid in the form of annual bonuses or other long-term incentives. The variable pay of Executive Directors is intended to reward members for performing the duties assigned to them and for going above and beyond, and over-achieving when it comes to the management of corporate affairs. The purpose of variable pay is to motivate Executive Directors in the long term to increase their effectiveness and productivity and consequently benefit the Company, and to make every concerted effort to achieve the organisation’s long-term strategic objectives.
- Insurance as part of insurance plans: This relates to healthcare and hospital coverage expenses, pension plans and other insurance contracts provided by the Company and its subsidiaries to Executive Directors, and insurance policies to cover professional and other risks (Directors & Officers insurance, etc.) for all members of the Board of Directors.
- Other benefits: Non-monetary remuneration paid by the Company and its subsidiaries to members of the Board of Directors which support them in the performance of their duties and competences (e.g. use of mobile phones, provision of company car and travel expenses, etc.).

The Company’s existing employment contracts with Executive Directors do not provide for variable pay which has already been paid to be returned to the Company.

5.1.1 Fixed pay

The fixed pay paid to Executive Directors seeks to attract and retain for the long-term capable executives who have the suitable features (skills, experience, behaviour) which the Company needs, such as efficiency, effectiveness, confidentiality, etc. To ensure that the fixed pay offered by the Company is competitive, annual surveys are carried out about the remuneration offered in the Greek labour market overall.

The level of fixed pay is determined in accordance with the rule that the Company pays fair and equitable remuneration to the most suitable person for each role, taking into account the level of responsibilities and duties, as well as the knowledge and experience required to achieve the above expectations, while ensuring that the Company does not make payments beyond what is appropriate and that, in all events, its long-term interests and viability are served.

The components taken into account in determining the fixed pay of Executive Directors are:

- prior experience of the Director;



- the operational requirements of the post in terms of competences;
- the level of responsibility associated with the post;
- the Director's academic background, dynamism and potential for development;
- the importance of the position in the labour market;
- the remuneration offered to executives providing similar services in the same or related subject matter;
- the balance of pay scales within the Company's internal environment;
- the need for people with suitable levels of experience, individual skills and professional abilities to remain in the Company;
- the general climate which exists in the national economy;
- the annual size of the Company's budget;
- the requirements of labour law (Collective Labour Agreements, etc.) and special terms of individual employment contracts.

The aim in setting remuneration is to ensure that the level and structure of pay serve key principles of the Remuneration Policy, such as maximising performance, and ensuring fairness and competitiveness, while also promoting the long-term viability of the Company and are a function of both the performance and potential of Executive Directors, and the remuneration for similar posts, roles and specialisations in the domestic market and other similar companies, as reflected in the relevant pay surveys, so that remarkable executives remain with the Company and grow and develop within it, as well as to attract new capable individuals, ensuring succession and that key and important positions in the Company are filled.

5.1.2 Variable pay

Provided that the company's profitability targets are met, the Board of Directors, acting on a recommendation from the Remuneration and Nominations Committee, proposes that the Company's General Meeting of Shareholders pay additional (variable) pay to Executive Directors as a means of inciting them to achieve higher performance and/or rewarding them for the targets they have already achieved.

Quantitative and qualitative criteria that are related to individual private agreements already concluded and approved by the Company's General Meeting apply to the payment of variable pay. When such private agreements are revised they are re-submitted to the General Meeting for approval.

Rewarding Directors with additional (variable) pay is done after individual targets are achieved, coupled with team performance at unit, division and/or company level, and above all based on the general principles laid down in the applicable legislative and regulatory frameworks and best corporate governance practices.

6. Derogations and validity

In exceptional cases, a derogation from the approved Remuneration Policy is permitted on an interim basis provided that: there is a recommendation to that effect to the Board of Directors made by an independent director assisted by the Financial Manager, the HR Manager and the Company's Legal Advisor; it applies to individual elements of fixed pay without affecting the principles and criteria of the Remuneration Policy; and this derogation is necessary to serve the Company's long-term interests as a whole or to ensure its viability.

The Remuneration Policy takes effect after being approved by the General Meeting of Shareholders of the Company and applies for the fiscal years 2021 to 2024 inclusive, unless the General Meeting decides to amend it within that time period.