



## REMUNERATION POLICY

Resolution of the Extraordinary General Meeting of the Shareholders dated  
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Human Resources & Organization Division  
November 2023

## REMUNERATION POLICY

The Remuneration Policy approved by the Extraordinary General Meeting of December 14, 2022, is amended in terms of its respective points as follows:

### **1. Introduction**

The Remuneration Policy (hereinafter "Policy") defines the operating framework according to which the remuneration of the Members of the Board of Directors (hereinafter "BoD") and the executives of the company under the name "Public Power Corporation S.A." (hereinafter "Company") is determined.

The Nomination Remuneration and Recruitment Committee made a recommendation to the BoD for the amendment of the existing Policy (Extraordinary General Meeting of December 14, 2022). The Policy was pre-approved by the BoD and was approved by the \_\_. \_\_.2023 General Meeting of the Company's shareholders with effect for four (4) years from its initial approval.

The Policy takes into account the relevant best practices for listed companies, and is based on:

- Law 4548/2018 for the reform of the legal framework of Sociétés Anonymes
- Law 4706/2020 on Corporate Governance
- the provisions of the Company's articles of association and the Corporate Governance Code that the Company has adopted.

Authorization is granted to the BoD for defining the individual terms of the Remuneration Policy, where this is provided and/or required, as well as any necessary details for its implementation.

The Policy is available on the Company's website [www.dei.gr](http://www.dei.gr).

### **2. Scope**

This Policy applies to the remuneration of the Members of the BoD of the company, executive and non-executive, and to its management personnel (executives), from the level of Section Managers / Assistant Directors and above.

In addition, by virtue of the General Meetings' Resolutions of the respective Companies, the aforementioned policy may also be applied to the

significant Subsidiaries of the Group, with the corresponding necessary adjustments.

### 3. Purpose

This Policy is adapted to the requirements of the new operating framework of the Company, which from a single vertically integrated public company with an emphasis on the production of electricity using solid fuels, is transformed into a multinational Group of dozens of private sector companies active in all individual competitive markets of energy but also beyond that.

The purpose of the present Policy is to contribute to the implementation of the Company's business strategy, to the service of its long-term interests, as well as to contribute to its sustainability by establishing a remuneration framework that a) favors their alignment with short-term and long-term corporate targets, b) supports team spirit and performance, c) recognizes their efforts and the level of their contribution to its results, so that the Company keeps creating added value for the customers, shareholders, employees and the Greek economy.

The Policy has been designed in such a way as to be fair regarding the salary and working conditions of remuneration of all employees, and to align the remuneration of the persons it covers with the interests of the shareholders.

The Remuneration Policy is approved by the General Meeting of the Shareholders upon recommendation by the Board of Directors. The Nomination Remuneration and Recruitment Committee is legally competent to recommend to the BoD the Remuneration Policy for the persons that fall within its scope. The Human Resources and Organization General Division recommends to the Nomination Remuneration and Recruitment Committee the Remuneration Policy based on the Company's strategic priorities and Market data.

The Nomination Remuneration and Recruitment Committee will regularly (every year) examine whether the Policy is still aligned with the Company's business strategy or whether it should be amended and to this end will submit a relevant recommendation to the BoD. Every four years (or earlier if there is a significant change in the circumstances under which it was established), following a recommendation by the Nomination Remuneration and Recruitment Committee, the BoD will submit the new Policy to the Shareholders for approval.

In addition, the Company has adopted a conflict-of-interest policy and has established the necessary measures to avoid and manage potential conflicts of interest in terms of the Policy as follows:

- The Nomination Remuneration and Recruitment Committee of the Company actively participates in the preparation and implementation of the Policy as well as in the determination of the remuneration of the persons who fall within the scope of the Policy.
- The executive members of the BoD do not participate in the discussion regarding the determination of their individual salaries.
- The Policy does not provide for variable remuneration or other performance-related compensation for the independent non-executive members of the BoD in order not to have a conflict of interest when making their decisions and to have the opportunity to exercise constructive and objective criticism of management decisions that involve risk.

#### **4. Remuneration and Benefits of the Members of the BoD**

##### **4.1. Remuneration and Benefits of the Non-Executive Members of the BoD**

###### **4.1.1. Salary and benefits package**

The forms of remuneration and benefits paid pursuant to the Policy approved by the General Meeting to the non-executive members of the Company's BoD are summarized below:

- The gross amount of 35,000 Euros per year for the members of the BoD with regards to their participation in BoD Meetings.
- The gross amount of 1,000 Euros per BoD meeting up to a maximum of 20,000 Euros per year
- Additional benefits:
  - Professional Liability Insurance: All executives are provided with an Executive Liability Insurance Contract which covers legal defense costs as well as the various possible monetary payments in cases of lawsuits, criminal prosecution, or administrative sanctions against them as a result of the performance of their duties. The coverage is valid while the executives are active and also after their departure.
  - To cover the travel expenses incurred by the Members of the BoD outside the Regional Unit of the place of their permanent residence in order to attend the meetings of the BoD or its Committees, travel, accommodation and meal expenses shall be

paid, in accordance with the currently applicable regulations of the Company.

For any non-executive members coming from the regular staff of the Company,

- The fixed remuneration of the position from which they come from,
- The ancillary benefits of regular staff.

Additionally, to the non-executive members of the BoD's Committees of the Company, is paid:

- (a) for the Chairman of the Committee a gross amount of EUR 20,000 per year and 600 euros per meeting of the Committee
- (b) for the members of the Committee 14,000 euros per year and 600 euros per meeting of the Committee

The total amount of the above payments for participation in BoD Committees cannot exceed, for the Chairman, the gross amount of 33,200 euros per year and for each Committee member, the gross amount of 27,200 euros per year.

Members of the BoD who participate in more than one (1) BoD Committee they will be compensated up to the corresponding amount of participation in one (1) Committee.

BoD Committee Members, non-BoD Members, are paid according to the above. In the event that the non-BoD members participate in more than two (2) Committees, they will be compensated up to the corresponding amount of participation in two (2) Committees.

#### **4.1.2. The significance of remuneration for independent non-executive BoD members**

In accordance with the provisions of paragraph 2, item a, of article 9 of Law 4706/2020 on corporate governance, in order to designate a non-executive member of the BoD as independent, both during its appointment as well as during its term of office, it must not directly or indirectly hold a percentage of voting rights greater than zero point five percent (0.5%) of the Company's share capital and, at the same time, it must be free from financial, business, family or other relationships of dependence, including receiving any significant remuneration or benefit from the Company or an affiliated company.

For this purpose, the Company has set a framework which ensures that the remuneration and benefits received by the independent non-executive members are consistent with their independence. Therefore, the criteria taken into account by the Company in order to evaluate the significance of

the remuneration or benefit received by each independent non-executive member of the BoD, taking into account the total amount and its periodicity, are summarized below:

- The size, internal structure, organization and complexity of the Company's activities.
- The skills, diversity, knowledge, and experience of the member.
- The requirements of the role of the member of the BoD.
- The place of residence of the member of the BoD.
- The remuneration levels of independent non-executive members in similar companies of the Greek and European market (monitoring of annual reports).
- The financial status of the BoD member and any other remuneration received by companies associated with the Group.

PPC SA fully meets the requirements of the Law regarding independent non-executive members, whose remuneration based on the above is not of such an amount as to call into question their nature as independent.

## **4.2 Remuneration and Benefits of the Executive Members of the BoD**

### **4.2.1 Remuneration and Benefits package**

The forms of remuneration and benefits that may be paid by virtue of this Policy to the executive members of the BoD of the Company are summarized below:

- Fixed remuneration: The amount of fixed remuneration is defined in this Policy, is precisely determined by the Board of Directors, and is included in the annual remuneration report which is submitted to the General Meeting in accordance with the provisions of article 110 of Law 4548/2018. The BoD reviews the basic salaries of its executive members and decides whether the conditions justify adjustments, following the recommendation of the Nomination Remuneration and Recruitment Committee. When considering increases in the basic salary, inflation, market salary levels, the need to retain executives, their individual performance and the average increases in the wider staff of the Company are used as criteria. The amount of the annual gross remuneration is determined through the Executives' Fixed Remuneration System (EFRS).
- Annual variable remuneration (bonus): Such amount is determined through the Executives' Variable Remuneration System (EVRS).
- Reward incentive: For the period 2020-2025, an additional reward incentive is provided to PPC and PPCR executives for their contribution to the achievement of the Group's medium-term targets, in the form of four

- (4) rolling cycles of a stock awards program, the Stock Awards Program (SAP) which has been approved by the General Meeting of June 4, 2021.
- Provision of a company car, with parallel coverage of the related costs.
  - Private medical insurance and life insurance programs with parallel insurance coverage against third parties for any acts and/or omissions that may be attributed to them during the performance of their duties.
  - Additional benefits:
    - Professional Liability Insurance: All executives are provided with an Executive Liability Insurance Contract which covers legal defense costs as well as the various possible monetary payments in cases of lawsuits, criminal prosecution or administrative sanctions against them as a result of the performance of their duties. The coverage is valid while the executives are active and also after their departure.
    - To cover the travel expenses incurred by the BoD Members outside the Regional Unit of the place of their permanent residence in order to attend the meetings of the BoD or its Committees, travel, accommodation and meal expenses shall be paid, in accordance with the currently applicable regulations of the Company.
  - Fee for participation in the BoD: gross amount of 1,000 Euros per BoD meeting.

The remuneration of the executive members of the Board of Directors of the Company is linked to the size of the company, the complexity of its action, the extent of their responsibilities, their degree of responsibility, the corporate strategy, the objectives of the company and their realization, with the ultimate goal of creating long-term value in the Company. The process for developing a remuneration policy is characterized by objectivity and transparency. The additional remuneration of the members of the Board of Directors is linked to the achievement of certain objectives and depends on or is justified by the Company's financial results based on its annual financial statements.

#### **4.2.2. Malus and clawback provisions**

With regard to the variable remuneration provided for in this Remuneration Policy, in accordance with the above, it is noted that the Company may recover the value of all or part of the variable remuneration received or vested by the beneficiary BoD member within a period of three (3) years from their payment, in cases of violation of regulations or procedures, committing serious misconduct such as fraud, damage suffered by the Company or other equally serious cause, for actions that led to significant losses.

#### **4.3 Employment contracts of executive members of the BoD**

The status of the employment contracts of the executive members of the BoD is defined by the applicable legislation.

## **5. Remuneration of PPC S.A.'s Executives**

In the context of this policy, Executives are defined as hierarchical ranks from Section Manager / Assistant Director and above.

By virtue of the Resolution of the General Meeting dated December 14, 2022 (Minutes No. 85), the remuneration of the Company's Executives, depending on their hierarchical level, is defined by:

- Executives' Fixed Remuneration System (EFRS) of PPC (Annex I of Minutes No. 85)
- Executives' Variable Remuneration System (EVRs) of PPC (Annex II of Minutes No. 85)
- Stock Awards Program of PPC (SAP PPC) (Annex III of Minutes No. 85)

The Board of Directors is authorized, upon the recommendation of the Nomination, Remuneration and Recruitment Committee, to approve the specialization and implementation of the EFRS and EVRS PPC, the adaptation of the criteria and parameters of the PPC EVRS to the respective group and corporate priorities, the extension of the application of the PPC EVRS to lower levels than the Director level, making the necessary amendments to the said Remuneration Systems.