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**ELGEKA S.A.****Remuneration Policy of Board of Directors' members  
according to article 110 of L.4548/2018****Introduction**

This document reflects the Remuneration Policy adopted by the Company in order to comply with the current official framework for corporate governance.

The current Policy was conducted according to the EU Directive 2017/828 on the Shareholders' Rights, as this has been incorporated in the Greek legislation with L.4548/2018, and it is applicable to members of Board of Directors (BoD).

The reference to the members of the Board of Directors includes both the General Director as well as his possible deputy, as defined in the second subparagraph of paragraph 1 of article 110 of L.4548/2018.

The Policy takes into account the best practices for listed companies and at the same time reflects the current situation regarding the remuneration of the members of Board of Directors.

The Remuneration Policy was formed by the Remuneration and Nominations Committee, in collaboration with the Human Resources Department, and was presented with a relevant suggestion to the Board of Directors, which approved it by its decision on July 2, 2020.

Subsequently, the Board of Directors submitted the Remuneration Policy for approval, in accordance with the provisions of L.4548/2018, to the Ordinary General Meeting of Shareholders of the Company, which will take place on July 23, 2020.

In case of a substantial change in the conditions under which the approved Remuneration Policy was drawn up, the Board of Directors, upon the recommendation of the Remuneration and Nominations Committee, shall submit a proposal for amendment to the General Meeting and in any case every four (4) years from its approval.

The approved Remuneration Policy will remain available on the Company's website (<http://www.elgeka.gr>) for at least as long as it is valid.

**1. How the Policy contributes in the business strategy, the long-term interests and the viability of the Company**

The Company pays the members of the Board of Directors taking into account the principle of fair and reasonable remuneration, aiming to attract the appropriate staff for

Ministry of Development & Investments - General Secretariat for Commerce & Consumer Protection -

General Secretariat of Market - Directorate of Companies – Department of Supervision of Public Companies & Athletic Companies

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each position, considering at the same time the level of responsibility, the knowledge and the experience required, while ensuring the achievement of the strategic goals of the Company, in order to create value for customers, shareholders, employees and the Greek economy.

The level of standard fixed remuneration of the members of the BoD is designed with an aim to serve the long-term interests and viability of the Company by providing a fair and appropriate level of standard fixed remuneration, with the aim of discouraging excessive support for variable remuneration and unnecessary risk taking, encouraging continuous value creation. The variable remuneration of the executive members are linked to the achievement of short-term goals, which lead to the creation of value for the Company in the long run.

No variable remuneration is provided for non-executive members of the BoD, so that there is no conflict of interest when making decisions, as well as to be able to exercise constructive criticism on Management's decisions that involve taking risks.

## **2. How the salary and working conditions of the Company's employees were taken into account during the determination of the Remuneration Policy**

The Remuneration Policy of the members of the Board of Directors including the General Director and its possible deputy is based on the principle of fair and reasonable remuneration for the best and most suitable staff for each role, while ensuring that the Company provides fair and competitive remuneration and are ensured its long-term interests and its sustainability.

The Remuneration and Nominations Committee and the Board of Directors are periodically informed about the structure of the remuneration of the above within the Company and in case it is necessary, they adjust them, taking into account the market trends.

## **3. Remuneration Policy for the executive members of the Board of Directors**

The Remuneration Policy applied to the executive members of the Board of Directors is analyzed as follows:

- Standard fixed remuneration: They concern the annual salary, while there is no fee for their participation in the meetings of the Board of Directors.

There is no provided maximum limit on salaries, but the increases are generally expected to be in line with the increases applicable in the relevant reference market.

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The maximum amount of the total annual fixed remuneration of the members of the Board of Directors is determined by the Board of Directors upon the recommendation of the Remuneration and Nominations Committee and is submitted for approval to the Annual Ordinary General Meeting of shareholders.

- Short-term program of variable remuneration: The Remuneration and Nominations Committee sets out the performance criteria for the short-term incentive program according to the business strategy for the specific year. The annual variable remuneration for achieving of 100% of the goals cannot exceed the 30% of the annual gross remuneration of the executive. The targets set are based on financial criteria, indicatively mentioned EBITDA and sales revenue.
- Liability insurance for Directors and Officers: The Company grants liability insurance to all members of the Board of Directors for the protection of its members against any individual liability that may arise by acting in their capacity as members of the Board of Directors. The maximum compensation is set at 5 million euro per claim and cumulatively.
- Other benefits: Indicatively included benefits such as medical care program, company car and travel expenses, mobile phone program and other benefits. Sometimes additional benefits may be provided if it is necessary and in line with market practices. It does not defined no maximum amount on the benefits that can be granted to the members of the Board of Directors, as they align with market practices and Company's Policy.

The Company pays any expenses related to travel, distribution and food related to the fulfillment of the duties of all members of the Board of Directors, including the General Director and possible deputy.

The current Policy of the Company does not provide for the granting of stock option rights and participation rights of the members of the Board of Directors to the Company's profits.

#### **4. Remuneration Policy for the non-executive members of the Board of Directors**

During the determination of the levels of remuneration of non-executive members of the Board of Directors is taking into account the market practice regarding companies of similar size and structure.

The Remuneration Policy applied to the non-executive members of the Board of Directors is analyzed as follows:

- Fixed standard remuneration: Non-executive members are paid only fixed remuneration, which relate to their annual fee for their participation in the meetings of the Board of Directors as well as in existing committees.

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The maximum amount of the total annual fixed remuneration of the non-executive members of the Board of Directors is determined by the Board of Directors upon the recommendation of the Remuneration and Nominations Committee and is submitted for approval to the Annual Ordinary General Meeting of shareholders.

- Liability insurance for Directors and Officers: The Company grants liability insurance to all members of the Board of Directors for the protection of its members against any individual liability that may arise by acting in their capacity as members of the Board of Directors. The maximum compensation is set at 5 million euro per claim and cumulatively.
- Other benefits may be provided to non-executive members of the Board of Directors depending on additional tasks assigned to them, in order to achieve the Company's strategic plans. It does not defined upper limit on the benefits that can be granted to the members of the Board of Directors, as they are harmonized with the market practices and the Company's Policy.

The Company pays any expenses related to travel, distribution and food related to the fulfillment of the duties of all members of the Board of Directors, including the General Director and possible deputy.

The current Policy of the Company does not provide for the granting of stock option rights and participation rights of the members of the Board of Directors to the Company's profits.

## **5. Employment Contracts of Company with executive members of Board of Directors**

The term of duty of the executive members of the Board of Directors is set at four years, with the possibility of re-election, according to the Company's Articles of Association.

The executive members of the Board of Directors for their participation in the meetings of the Board of Directors do not receive any remuneration other than their remuneration as executives of the Company.

In case of expiration of an existing employment contract with an executive member of the Board of Directors at the initiative of the Company, the notice deadlines and the payment of compensation are made in accordance with the provisions of the relevant legislation.

In case of termination of the employment contract, the Company pays the legal compensation, in accordance with the provisions of the current legislation. The Board of Directors, upon the recommendation of the Remuneration and Nominations

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Committee, may also approve additional incentives in the event of early termination of employment.

During the approval of this Policy, the Company reserves the right to comply with any contractual obligations that have already been undertaken with the members of the Board of Directors before the date of its entry into force. Data on such payments based on pre-existing contractual commitments, if they arise, will be set out in the Remuneration Report.

## **6. Deviations from Remuneration Policy**

In special cases, the Board of Directors may allow - temporarily - special exceptions to the Remuneration Policy. These payments may apply only if the Board of Directors, after a recommendation by the Remuneration and Nominations Committee, is convinced that it is to the long-term benefit of the Company, that it ensures its sustainability and at the same time is for the benefit of its shareholders. All extraordinary remuneration must be approved by the Board of Directors, in accordance with the relevant legal framework and included in the Remuneration Report, which is submitted for approval to the Ordinary General Meeting.

**Acharnes Municipality, Attica, 2<sup>nd</sup> of July, 2020**

**THE BOARD OF DIRECTORS**