

**NOMINATIONS AND REMUNERATION COMMITTEE OF THE BOARD**

**REMUNERATION REPORT**

**OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY**

**"TERNA ENERGY INDUSTRIAL COMMERCIAL AND TECHNICAL COMPANY S.A."**

**FOR THE USE 1.1.2020 - 31.12.2020**

**June 23, 2021**

**Introduction**

This Remuneration Report has been prepared by the Nominations and Remuneration Committee of the Company "TERNA ENERGY INDUSTRIAL COMMERCIAL AND TECHNICAL COMPANY S.A." (hereinafter: the Company) in accordance with Article 112 of L 4548/2018 and provides shareholders with an overview of the remuneration of the members of the Board of Directors of the Company for the year 1.1.2020 - 31.12.2020. The remunerations of the members of the Board of Directors complies with the approved Remuneration Policy and the legislation.

The Nominations and Remuneration Committee consists of three (3) non-executive members of the Board, and most of whom are independent and the Chairman of the Committee is an independent, non-executive member. The tasks of the Committee include (a) the elaboration and presentation of the general directions as well as the appropriate policies and practices concerning the formation of the framework of the salaries of the employees, of the members of the Board of Directors and the salaries of the managers, (b) the drafting and submission to the Board of proposals on the corporate remuneration policy and (c) the evaluation of its implementation based on the relevant annual remuneration report as well as the formulation of proposals to be submitted by the Board to the General Meeting of Shareholders for approval.

The Company's Remuneration Policy approved by the decision of the Extraordinary General Meeting of Shareholders of April 29, 2020, is posted on the Company's website and is in force without retroactive application for the entire financial year 2020. The Remuneration Policy has been revised by the Nominations and Remuneration Committee and after the suggestion of the Board of Directors is expected to be approved at the Ordinary General Meeting of 23.06.2021. No remuneration was paid to the members of the Board of Directors during the fiscal year 2020 and is expected to be paid from the taxed profits of

the company, in accordance with the Remuneration Policy approved by the Extraordinary General Meeting of shareholders of April 29, 2020.

### **Annual Remuneration Report of Board Members**

According to article 112 of Law 4548/2018, the BoD of the Company is obliged to prepare a clear and comprehensible earnings report, which contains a comprehensive overview of all remunerations regulated in this policy for the last financial year and the data required at least by the above article 112 of Law 4548/2018, as this will be the case.

The report will also include all types of allowances granted or due to persons whose earnings have been included in this remuneration policy during the last financial year, regardless of whether they are newly elected or older members of the Board.

The earnings report is submitted for discussion at the regular general meeting of shareholders, as an item on the agenda. The shareholders' vote in regards to the remuneration report is advisory.

The remuneration report concerns, on the one hand (i) the existing rights of the Board members and the respective General Managers and the obligations of the Company to the above persons and on the other hand (ii) the conditions, on the basis of which remuneration will be provided to existing members of the Board, taking into account the salary and working conditions of the employees.

The remuneration report will remain available on the Company's website, free of charge, for a period of ten (10) years. Maintaining the earnings report on the website for more than a decade is permitted provided that the earnings report no longer contains personal data of the members of the Board within the meaning of Regulation (EU) 2016/679 of the European Parliament and of the Council (L 119/1).

The purpose of this Remuneration Report is to review compliance with the approved Remuneration Policy, the legal framework and to enhance transparency regarding the payment of all types of remuneration in a coherent, clear and comprehensible manner. In particular, this Remuneration Report:

- It presents in a transparent way the structure of all types of remuneration that are included or not by the Remuneration Policy.
- Contributes to the diffusion and consolidation of the principles of transparency, meritocracy, justice, proportionality in the implementation of the remuneration framework from the top to the bottom of the organization, taking into account the type and level of remuneration with the importance and weight of responsibilities of each position and the performance of each executive.
- Demonstrates the ability of the Company to formulate and implement competitive remuneration packages, which are harmonized with market practices and at the

same time are able to attract or retain competent and valuable executives within the corporate structures.

- Recognizes the reasonable and fair level of remuneration that should be aimed at creating goodwill both in the long run and through the achievement of shorter-term goals with the aim of preventing decisions with excessive business risk and on the other hand maintaining viability and profitability
- Provides information on the total remuneration granted or paid, with an analysis of their individual components, the separate recording of fixed and any variable remuneration, including the control of any remuneration of paragraph 2 of article 109 of Law 4548/18 and how the total remuneration complies with the approved remuneration policy.
- Controls the general application of the basic guidelines for the management and payment of remuneration to the members of the Board of Directors, the CEO and the General Managers in accordance with the Organization Chart of the Company and the approved Remuneration Policy.
- Controls cases of conflict of interest.

This Remuneration Report refers to the Board Members in accordance with the provisions of article 112 of Law 4548/2018.

The remunerations recorded include both the fixed and any variable part of the remunerations. In them the remunerations of any kind from any company belonging to the group are reflected, as defined in article 32 of law 4308/2014. In the current financial year, stock options were not exercised by the members of the board of directors within the framework of the company's share distribution program. Finally, the existence or use of any possibility of recovery of variable remuneration was not recorded.

In the present case the provision of par. 2st of art. 112, L.4548 / 18 does not apply. According to art. 112 par. 3 of Law 4548/18, no deviations from the approved remuneration policy were found pursuant to paragraph 7 of article 110. Therefore, no explanations are required for circumstances of an exceptional nature, against which the remuneration policy deviated.

#### **Approved Remuneration Based on Remuneration Policy**

The fixed remuneration according to the provisions of article 109 par. 1 of L.4548 / 18 on remuneration to members of the Board and the remuneration policy, as originally approved and as revised by the General Meeting of 29/4/2020 and subject to the approval of the General Assembly, are as follows:

FULL NAME	CAPACITY	RANGE OF FIXED GROSS REMUNERATION OF BOARD MEMBERS	COMMITTEES	VARIABLE REMUNERATIONS
Peristeris Georgios	Executive Chairman	A+	-	Does not exceed 100% of the fixed
Perdikaris Georgios	Vice Chairman	A	-	Does not exceed 100% of the fixed
Maragoudakis Emmanuel	CEO	A	-	Does not exceed 100% of the fixed
Spyrou Georgios	Executive Director	A	-	Does not exceed 100% of the fixed
Moustakas Emmanuel	Executive Member	B	-	Does not exceed 100% of the fixed
Delikaterinis Vasileios	Executive Member	B	-	Does not exceed 100% of the fixed
Gourzis Michael	Non Executive Member	Up to 40.000 €	Up to 10.000 € per committee	-
Mergos Georgios	Independent Non Executive Member, President of Audit Committee, President of Nominations and Remuneration Committee	Up to 40.000 €	Up to 10.000 € per 30.000 € as president of the Audit Committee	
Apkarian Gagik	Independent Non Executive Member	Up to 40.000 €	Up to 20.000 € per Committee	-
Kouvaris Georgios	Independent Non Executive Member	Up to 40.000 €	Up to 10.000 € per Committee	-
Kalamaras Nikolaos	Member of the Audit Committee, Specialist in Auditing-Accounting		Up to 30.000 €	-

To the Executive Members of the Board fixed remuneration is paid (remuneration according to article 109 par. 3 of Law 4548/2018) and remuneration for services to all the companies of the Group according to the above Remuneration Table.

In addition to the above, to all Members of the Board. Additional Benefits are provided that include civil liability insurance, participation in the Group Health Insurance of the Company, coverage of corporate expenses, coverage of travel expenses and overnight stays for Independent Non-Executive Members of the Board residing outside Athens. No company car is provided.

### Remuneration of the Board of Directors and Committees of the Company and companies of the Group:

For the Executive, Non-Executive and Independent Non-Executive Members of the Board, Fixed Annual Fees are provided for their participation in the Board and their participation in the Committees of the Board of Directors, which can be granted once a year from the taxed profits of the Company, as was done during the financial year 2019.

The General Meeting of 29/04/2020 approved with a majority of 93.21% of those present the payment of salaries, pursuant to article 109 of law 4548/2018, to the members of the Board of Directors and to the members of the Company Committees for the year 2019 total amount € 700,000, from the taxed profits of the Company which corresponds to a percentage of 1.4% of the net profits of the Group after taxes and minority interests.

Taking into account the majority vote in favour with a percentage of 93.21% of last year's remuneration report, the **Total Annual Fixed Remuneration** of the executive and non-executive Members of the Board for the Fiscal Year 2020 by the Company, as defined in article 32 of law 4308/2014, are presented in the Table below and amount to a total of €1,080,000, ie 1.5% of the Group's net profits after taxes and minority interests. In companies belonging to the same group, no Board fees were paid.

FULL NAME	CAPACITY	REMUNERATION OF BOARD OF DIRECTORS & COMMITTEES OF THE COMPANY	FIXED GROSS REMUNERATION OF INDEPENDENT NON EXECUTIVE MEMBERS AND BOARD MEMBERS	VARIABLE REMUNERATION	PERCENTAGE OF VARIABLE REMUNERATION TO FIXED
Peristeris Georgios	Executive Chairman	500.000	0	-	0%
Perdikaris Georgios	Vice Chairman	60.000	0	-	0%
Maragoudakis Emmanuel	CEO	100.000	A	-	0%
Spyrou Georgios	Executive Director	70.000	A	-	0%
Moustakas Emmanuel	Executive Member	45.000	B	-	0%
Delikaterinis Vasileios	Executive Member	15.000	B	-	0%
Gourzis Michael	Non Executive Member, Member of the Audit Committee, Member of the Nominations and Remuneration Committee	60.000	Remuneration of BoD and Committees	-	0%

Mergos Georgios	Non Executive Member, President of the Audit Committee, President of the Nominations and Remuneration Committee	90.000	Remuneration of BoD and Committees	-	0%
Apkarian Gagik	Non Executive Member	60.000	Remuneration of BoD and Committees	-	0%
Kouvaris Georgios	Non Executive Member, Member of the Nominations and Remuneration Committee	40.000	Remuneration of BoD and Committees	-	0%
Kalamaras Nikolaos	Member of the Audit Committee, Specialist in Auditing-Accounting	20.000	Remuneration of BoD and Committees	-	0%

#### Variable Remuneration and Benefits:

To the Executive Members of the Board no variable remuneration has been granted for the financial year 2019 (such as Bonus, stock option program according to article 113 of Law 4548/2018).

#### Comparative Table of Total Annual Remuneration of Board Members

Below is presented the Comparative Table of Total Annual Remuneration of Members of the Board of Directors of the Company, Fixed and Variable, as well as the Average Annual Gross Remuneration of Employees for the years 2015 - 2019 (article 112 par. 2 b of Law 4548/2018). The Table presents the total remuneration of the members of the Board of Directors, the EBIDTA of the Group, the taxed profits of the Group after minority interests, the Group employees, the gross remuneration and the average annual remuneration of the employees.

USE	TOTAL ANNUAL REMUNERATION OF BOARD MEMBERS€	EBIDTA OF GROUP Mil. €	NET PROFIT OF GROUP Mil. €	GROUP EMPLOYEES	GROSS ANNUAL REMUNERATION OF STAFF €	AVERAGE ANNUAL EMPLOYEE REMUNERATION €
2020	1.056.984	194,7	71,8	334	8.666.236	25.947
2019	1.092.889	182,0	51,6	311	7.515.027	24.164
2018	951.650	167,9	44,8	257	6.240.633	24.283
2017	820.500	147,5	37,1	249	5.048.475	20.275
2016	306.000	115,7	20,6	161	3.645.300	22.642

### **Approval and Publicity of the Remuneration Report**

According to art. 112 par. 3 of Law 4548/18, the remuneration report is submitted for discussion at the regular general meeting, as a subject of the agenda. The shareholders' vote on the earnings report is advisory. The Board of Directors must explain in the next remuneration report how the above voting result was made at the regular general meeting. According to art. 112 par. 4 of Law 4548/18, this Remuneration Report together with the date and the results of the advisory vote of the General Meeting is subject to publicity formalities and remains available on the company's website for at least the period provided for in the above provision. The remuneration report does not include specific categories of personal data within the meaning of Article 9 para 1 of Regulation (EU) 2016/679 of the European Parliament and of the Council (L 119/1) or personal data relating to the marital status of members of the board of directors of the company. The company processes personal data of the members of the board of directors included in the remuneration report under article 112 in order to increase corporate transparency regarding the remuneration of the members of the board of directors, in order to strengthen the accountability of the members and the supervision of the shareholders on these remunerations. Subject to any longer deadline provided by a special provision, the company does not disclose personal data included in the remuneration report, after ten (10) years from the publication of this present remuneration report. According to art. 112 par. 6 of the aforementioned law, the members of the board of directors ensured that the remuneration report was prepared and is expected to be published, in accordance with the requirements of the provisions of this article.