



Rules of Procedure of Remuneration Committee (RC)

 TERNA ENERGY <small>G E K T E R N A G R O U P</small>	Document Code		Final	Document Title
	Edition	01	Date	
	Update	01	16/072021	Rules of Procedure of Remuneration Committee

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Remuneration Committee (RC) | Rules of Procedure

1. Operation of the Committee

Function

The primary function of the Remuneration Committee is to draw up a proposal for the drafting and periodical update of the Remuneration Policy, to review the information included in the Company's Remuneration Report, to opine on and make proposals regarding the range of the remuneration of the persons falling under the scope of the Remuneration Policy. The above proposals / opinions of the Committee are submitted to the BoD, which resolves on these issues or and makes recommendations to the General Meeting, if required.

Appointment of the Committee

The Committee is established following a decision of the Board of Directors, which elects its members and the Chairman of the Committee.

The operation of the Remuneration Committee is governed by articles 10 and 11 of Law 4706/2020 as well as by the Corporate Governance Code adopted by the Company, as applicable.

Composition of the Committee


The Committee shall consist of at least three members who shall be non-executive members of the Board of Directors, the majority of whom shall be independent. The Chairman of the Committee shall be an independent non-executive Member (see the Committee's organizational chart).

The Chairman of the Board of Directors may be a member of the Remuneration Committee, however he may not be its Chairman if he is not independent. In case the Chairman of the Board of Directors is a member of the Remuneration Committee, he shall not participate in the determination of his remuneration. The member of the committee who will be appointed as its Chairman should have been a member of the committee for at least one year.

When the Remuneration Committee is separate from the Nominations Committee, the chairman of the Remuneration Committee may not be also the chairman of the Nominations Committee.

The composition of the Committee shall ensure the correctness of its decisions and its proper operation.

The term of service of the members of the Remuneration Committee shall coincide with the term of service of the Board of Directors and may be extended. In any case, their term of service in the Committee may not exceed nine (9) years in total. In case of any vacancies in the Committee – indicatively due to resignation or loss of the capacity of an independent non-executive member of the Board, so that the minimum required number of independent non-executive members in the Committee is not met the Board of Directors shall immediately proceed with its replacement in accordance with applicable law.

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Convening the Committee – Decision Making

The Committee shall convene at least four (4) times per year and also whenever the circumstances so require.

The Chairman of the Committee is responsible for convening it and for organizing and conducting the meetings. Nevertheless, any member of the Committee may request the Chairman to convene the Committee.


Participation in the meetings shall be conducted either physically or virtually, through the use of any applications of technology which may render possible the discussion or and the exchange of opinions in writing. A member of the Committee may authorize another member in writing to represent him or her at a specific meeting and to vote on his or her behalf on the agenda. No member may represent more than one other member of the Committee.

The Committee shall meet at least once per year to review of the Remuneration Policy and once per year to review the information included in the final draft of the Annual Remuneration Report, providing the BoD with a relevant opinion prior to its submission to the General Meeting.

Decision-making requires all Committee's members to be present or represented, either with physical presence in the meeting place or in another place using applications of technology. Decisions are taken by unanimity of at least 75% of the Committee's members. In case one member of the Committee is absent without justification and without being represented by another member according the above, in two (2) meetings within the same year, this member is considered resigned.

Each member shall be notified of the place, time and date of each meeting by invitation which shall be sent at least two (2) working days prior to the meeting and in case the meeting takes place outside of the registered seat, at least five (5) working days prior to the meeting. The relevant invitation shall contain the items of each meeting's agenda and have attached any accompanying material, otherwise the taking of decisions on the above issues not included in the invitation shall be allowed only if no member of the Committee objects. The invitation and related documents may also be circulated via e-mail. In any case, the Committee may meet at any time, even without any invitation, provided that all its members are present and no one objects to the meeting and the decision-making.

The minutes of the meetings shall be kept by a person appointed by the Chairman of the Committee as Secretary / Technical Advisor, who, in addition to keeping the minutes of the meetings, shall assume the role of technical support and coordination of the Committee, as well as of organizing, assigning and preparing reports either performed internally or assigned to external advisors. The Secretary/Technical Advisor of the Committee, in cooperation with the Chairman, shall have the responsibility to draw up the agenda which shall be sent to the members of the Committee. Respectively, he shall also be responsible for the maintenance and signing of the Minutes and their delivery to the Corporate Secretary. In the event of absence or incapacity of the Chairman of the Committee, he shall be replaced by the oldest member of the Committee.

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Legal support in the work of the Committee can be provided either by the Corporate Secretary, who as provided by the Company’s Internal Regulation shall be a legal scholar, or by another legal scholar of the Group (see the organizational chart of the Committee).

The Committee may receive scientific or technical support from executives of the Company or the Group, who shall either be selected and appointed as Technical Advisors of the Committee or be invited for conducting a specific project. The Secretary/Technical Advisor of the Committee, the technical or scientific advisor and the legal advisor shall be appointed by a Decision of the Committee which shall be recorded in the Minutes of the relevant meeting.

External experts or special advisors or senior managers may be invited to the meetings of the Committee.

The Chairman of the Committee shall inform the BoD about the work of the Committee, report important findings and submit proposals to the BoD.

2. Responsibilities of the Committee

2.1 It submits proposals to the Board of Directors regarding the Remuneration Policy or its update, to be submitted consequently for approval to the General Meeting of the Shareholders.

2.2 It ensures that the Company has a clear, objective, well-justified and transparent Remuneration Policy in accordance with the applicable legislation and consistent with the Company’s business strategy, the market conditions, the profile and the Company’s risk-undertaking disposition and does not encourage excessive and short-term risk-taking.

2.3 It submits proposals to the Board of Directors regarding the range of the remuneration of persons falling under the scope of the remuneration policy, according to article 110 of the law 4548/2018 and regarding the remuneration of the Company’s senior managers, and especially the Head of the Internal Audit Unit, and proceeds with a relevant recommendation regarding these items to the Board of Directors, which resolves on these issues or and makes recommendations to the General Meeting, if required.


2.4 It monitors the implementation of the Remuneration Policy.

2.5 It supervises the compliance with the relevant decisions regarding the remuneration of persons falling under the scope of the remuneration policy, at least in accordance with the minimum requirements provided for by the applicable legislation.

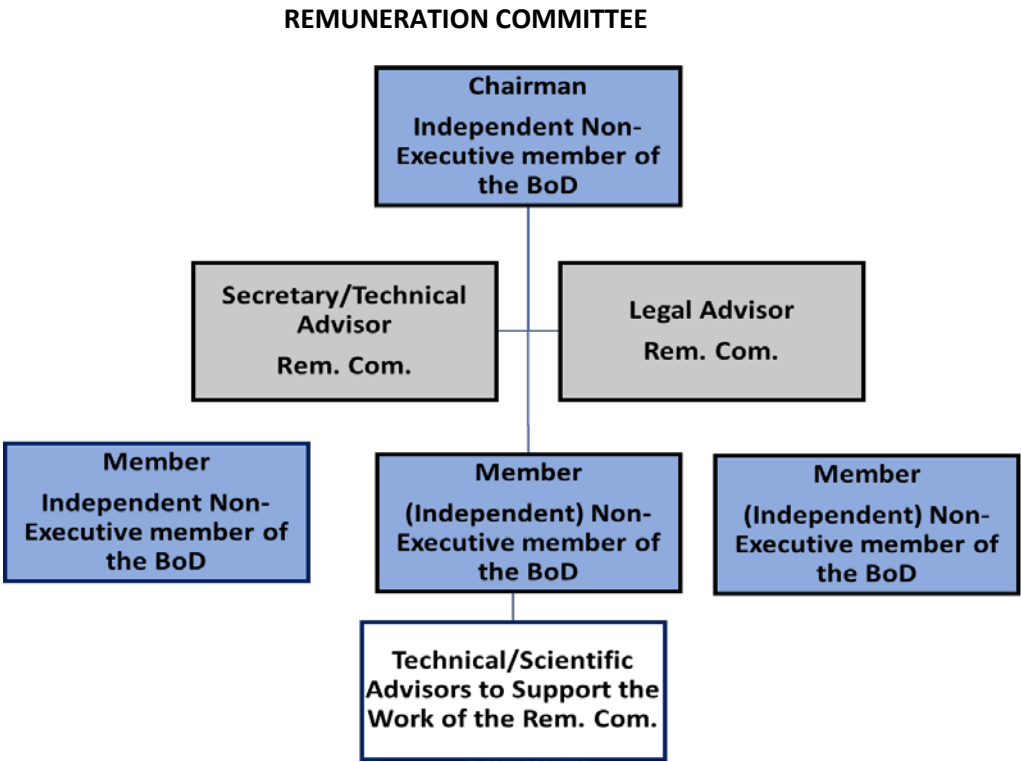
2.6 It examines and submits proposals of general nature, as well as the appropriate policies and practices concerning the determination of the framework regarding the remuneration of the employees, the members of the BoD and the senior managers.

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- 2.7** It examines the information included in the final draft of the annual remuneration report, providing an opinion to the Board of Directors prior to its submission to the General Meeting.
- 2.8** It examines and submits proposals to the Board of Directors regarding the stock option plans, the stock award plans, the supplementary pension schemes, and any other long-term reward plan.
- 2.9** It examines and consults the Board of Directors regarding the policies and the systems of determination of the annual fixed and variable remunerations and benefits in all Company's levels.
- 2.10** It monitors the effectiveness of the Company's Remuneration Policy in relation to attracting and retaining BoD members with recognized esteem and experience and competent senior managers.
- 2.11** It may use the services of external advisors if deemed necessary for the performance of studies or projects in relation to its activities.
- 2.12** It ensures that the approach adopted by each non-listed subsidiary of the Group concerning the remuneration complies with the principles of the Company's Remuneration Policy.
- 2.13** It examines and submits proposals to the Board of Directors regarding the total size of the annual variable remunerations.
- 2.14** It submits proposals to the BoD regarding business strategies to the extent that they are related to the remuneration.
- 2.15** It may invite senior managers and BoD members to its meetings, to ensure the receipt of thorough information for the thorough performance of its duties.

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3. Organizational Chart of the Committee



4. Monitoring of the Committee’s Performance

The Committee conducts an annual review of its work, a summary report of which is submitted to the BoD. This also includes proposals to the BoD to improve the Committee’s operation and performance.

5. Publication

The Rules of Procedure of the Committee are subject to the approval of the BoD. These Rules of Procedure, as well as any update / replacement, are published on the Company's website, and remain published for as long as they are in force.