



## REMUNERATION POLICY

June 2023

### **1. Introduction**

This Remuneration Policy (hereinafter, the "Policy") for the members of the Board of Directors was drawn up by the Remuneration & Nominations Committee of the Board of Directors of the Company "AVAX SA" (hereinafter, the "Company") in accordance with Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 on the rights of shareholders as incorporated into Greek Law by Law 4548/2018, and in particular in accordance with Article 110 of the said Law. This Remuneration Policy is the first revision of the Policy approved on 01.09.2020 by the Annual General Meeting of the Company's shareholders.

The Remuneration Policy is approved by decision of the General Meeting of the Company's Shareholders. The Shareholders' vote on the Remuneration Policy is binding. The Policy is valid for four (4) years from the date of its approval, unless it is revised and/or amended earlier pursuant to another decision of the General Assembly (hereinafter, the "GM") due to a material change in the conditions on the basis of which it was drawn up, and in the context of the respective provisions of the law.

The Policy takes into account the best practices that apply to listed companies based on the provisions of relevant legislation, the provisions of the Company's Articles of Association and the Corporate Governance Code, the provisions of the Greek Corporate Governance Code 2021, reflecting at the same time all applicable agreements of the Company regarding the remuneration of the members of the Board of Directors (hereinafter, the "Board of Directors").

In particular, the Policy thoroughly defines (i) the existing rights of the members of the Board of Directors, and (ii) the conditions based on which remuneration and other benefits will be provided in the future to existing and/or new members of the Board of Directors for as long as it is effective. During the preparation of this Policy, the salary and working conditions of all employees of the Company, and the AVAX Group of Companies in general, were taken into account.

The Policy remains posted on the Company's website ([www.avax.gr](http://www.avax.gr)) for as long as it is in effect.

### **2. Objective**

The Remuneration Committee of the Board of Directors of the Company is responsible for determining the remuneration system for the members of the Board of Directors and to make a relevant recommendation on them to the Board of Directors, which then makes a recommendation to the General Assembly of shareholders, which approves it.



The level and structure of remuneration of the members of the Board of Directors aim and utilise the attraction to, and retention by the Company of those members who can add value to the Company, the main criteria being their skills, knowledge and experience.

In this context, the Company's Remuneration Policy ensures that:

- It is in line with the values, principles, business policy and strategic objectives of the Company and its Group in general
- Promotes and contributes in the best possible way to the corporate operation based on the criteria of efficiency, organization and transparency of corporate governance
- Aligns the interests of the Company's executive leadership and Management with the long-term interests of the Company and its Shareholders, taking into account the interests of the Company's other stakeholders
- Follows the rules and best practices of effective risk management
- Establishes a transparent procedure for determining remuneration within the Company and its Group
- Maintains a fair, balanced and competitive variable remuneration programme for the Company within the framework of current legislation
- It is in accordance with the current legislation and the relevant regulations

In particular, the Remuneration Policy:

- Identifies the competent bodies involved in the process of defining, approving and monitoring it and the decision-making process for determining the content of the Remuneration Policy, as well as the procedural conditions for its review, revision and implementation
- Explains the remuneration structure of Board members per case/Member status
- Explains how this Policy contributes to the business strategy, long-term interests and sustainability of the Company
- Includes the components of all kinds of fixed and variable remuneration to members of the Board of Directors, including stock options and any other established additional variable remuneration or allowances of any kind, indicating the respective percentages,
- Identifies clear, comprehensive and differentiated criteria for granting variable remuneration to Executive Members, and in particular the financial and non-financial performance criteria applied for variable remuneration, as well as the methods employed to assess whether the set criteria are met, and in the case of share-based remuneration, the vesting periods and, where appropriate, the retention of shares after vesting;
- Outlines the conditions for possible postponement of payment of variable remuneration and its duration, as well as the conditions for the recovery of variable remuneration by the Company,
- Includes any participation rights of the members of the Board of Directors in the Company's share distribution programmes.



The remuneration of the executive members of the Company's Board of Directors is linked to the size of the company, the complexity of its activities, the extent and degree of their responsibilities, the corporate strategy, the company's business objectives and their realisation, the final goal being the creation of long-term value in the Company. The process for developing the Remuneration Policy is characterised by objectivity and transparency. Additional remuneration of members of the Board of Directors should be linked to the achievement of certain objectives and depend on, or be justified by, the financial results of the company based on its annual financial statements.

### ***3. Field of Application***

In accordance with article 110 of Law 4548/2018 and the organisational structure of the Company and its Group, the Policy applies to all Members of the Company's Board of Directors, either Executive or Non-Executive (including Independent Non-Executive Members).

Any reference in this Policy to Executive Members of the Board of Directors will also apply to any position of General Manager or Deputy General Manager of the Company, as per the provisions of paragraph 1 of article 110 of the Law, if any.

After receiving approval by the Board of Directors, the Policy is submitted to the General Meeting of Shareholders. The result of the vote is binding. If the majority of valid votes at the General Meeting of Shareholders are cast against the proposal of the Board of Directors, the Company will submit a new proposal at the next General Meeting of Shareholders. The previous Policy remains in effect until the new Policy is approved.

### ***4. Remuneration***

#### ***4.1 Non-Executive Members***

The remuneration of Non-Executive Members is approved by the General Meeting of the Company's Shareholders on the back of Board of Directors' approval, upon recommendation by the Remuneration Committee, as defined by the Law and the Operating Regulation of the Remuneration and Nominations Committee.

**4.1.1** Each Non-Executive Member of the Board of Directors, including Independent Non-Executive Members, receives an annual fixed fee for their participation in the Board of Directors. The time devoted to Board meetings and the performance of the tasks assigned to the Members is taken into account to determine the annual fixed fee.

**4.1.2** Moreover, depending on their position in the Committees of the Company's Board of Directors, each Non-Executive Board Member, including Independent Non-Executive Members, may receive an additional annual fee for their role (either as Chairman, or as ordinary Member) in each Committee, which, however, cannot exceed a specific limit determined by the Board of Directors. The aforementioned - additional - fee is reviewed annually, in accordance with the



relevant legislative provisions, taking into account in particular the criteria of each member's time commitment, their active participation in the Committees and the nature of the work of those Committees.

**4.1.3** Non-Executive Members do not receive variable remuneration of any kind nor do they participate in pension plans, severance pay plans, or plans related to the provision of performance incentives.

**4.1.4** Based on the above, the fixed annual fees for Independent Non-Executive Members and Non-Executive Members are set as follows:

- For ordinary Members of the Board of Directors €30,000
- For Committee Members (Audit and Remuneration & Nominations) an additional fee of €15,000
- For the Chairman of the Audit Committee and the Chairman of the Remuneration & Nominations Committee an additional fee of €15,000.

The above fees are in line with market figures and the practices currently prevailing in companies in the same sector, and may be revised on a case-by-case basis and according to the prevailing and evolving conditions.

**4.1.5** Expenses related to meetings of the Board of Directors and its Committees, such as travel, accommodation and related expenses, are reimbursed in accordance with the Expenses Policy for Non-Executive Members of the Board of Directors, which also applies to all Independent Non-Executive Members and is reviewed on an annual basis.

The Company may also provide them with a mobile phone for the exercise of their duties arising from their role as Board Members, and/or a company credit card to the Chairman of the Board of Directors for the relevant corporate expenses in the exercise of his duties. All expenses of this kind are approved by the Board of Directors on an annual basis upon approval by the Remuneration Committee. All those payments are subject, where required, to social security deductions as well as income tax deductions, special fiscal contribution (if applicable) and any other legal tax.

**4.1.6** Non-Executive members of the Board of Directors may receive additional fees for their responsibilities, roles and duties which are outside of the usual responsibilities associated with being a member of the Board of Directors. Any such fees will be paid subject to approval, and adhering to the procedure, of a related party transaction (as provided for in Articles 99-101 of Law 4548/2018) and will be disclosed in the annual Remuneration Report.

## **4.2 Executive Members**

The remuneration of Executive Members of the Board of Directors is set as follows:



#### **4.2.1 Fixed Salary**

The Executive Members of the Board of Directors receive fixed remuneration on an annual basis, both from the Company and from other companies of the Group. To determine the fixed remuneration/salary, the Company takes into account the position, tasks, level of responsibility and risk-taking, the skills required to perform the respective tasks, the capabilities and experience of the Executive Members of the Board of Directors, combined with international trends, evolving conditions and comparative figures that prevail in the market from time to time.

The upper limit of total fixed remuneration at Group level is defined as:

- €900,000 for the CEO,
- €600,000 each for other Executive Members of the Board of Directors.

The provisions of articles 99-101 of Law 4548/2018 apply in the event that the Company decides to draw up a contract for the provision of services or work or any other special relationship than those provided for in article 109 paragraph 3 of Law 4548/2018, where fees will be paid to a person covered by this Policy.

#### **4.2.2 Corporate Benefits**

The Executive Members of the Board of Directors (as well as other Staff) are granted additional benefits, depending on their position status, exclusively to serve the operational needs of specific positions over the time period for which they hold that position. Benefits in this category may include the use of company credit card, cell phone, company car, travel expenses, annual medical check-up and hospital expenses through a Health Plan, and/or a savings plan fixed contributions.

The cost of the relevant benefits is reviewed, approved and revised by the Board of Directors following the recommendation of the Remuneration Committee, taking into account that those benefits are offered at the discretion of the Company, which reserves the right to modify or revoke them at any time.

#### **4.2.3 Variable Remuneration**

The correct implementation of a variable remuneration policy is considered a necessary tool for managing human resources, as well as attracting and/or retaining valuable members in the Company, which can significantly contribute to the achievement of the Company's long-term goals.

As a general rule, variable remuneration constitutes an important part of the total remuneration of Executive Members of the Board of Directors, as they strengthen the provision of incentives for the promotion of the Company's objectives in the strategic direction adopted by the Board of Directors.



The aforementioned variable remunerations are set and provided by the Company based on criteria which mainly relate to the financial performance of the Company, taking initiatives to achieve specific goals in specific activities, participating in multiple or key Company activities, participating in specific business plans, focusing on long-term financial, operational or investment goals determined in the context of the Company's current strategy, supervising one or more areas of responsibility according to the Company's organisational chart, participating in the Company's regulatory compliance actions and /or implementation of the objectives of corporate social responsibility, in the context of the criteria defined by the relevant legislation and the respective Company policies.

#### 4.2.4 Amount and Form

To determine the variable component of remuneration, all provisions of current legislation are observed, in which it is stipulated that the variable remuneration cannot exceed 100% of fixed remuneration. However, following the approval by the General Meeting of Shareholders, a larger amount may be set, provided that it does not exceed 200% of total fixed remuneration. Variable remuneration may take the form of either cash or shares or equivalent financial instruments or other available instruments, within the framework of applicable law, or optional pension benefits. The allocation of shares (or other form of financial instruments) may be made either in the form of stock options, or by distribution of shares, or as otherwise set by law.

4.2.5 Based on the remuneration that may be paid to Executive Board Members based on this Policy, is summarised in the following table:

	Fixed Salary Components			Variable Remuneration Components	Additional Benefits
	Annual Remuneration	Payment for services to the Company	Payments for services to other Group companies, as per 4.2.1	Variable Remuneration, as per 4.2.3	Corporate Expenses / Group Medical Plan / Insurance / Corporate car etc, as per 4.2.2
*Managing Director	√	√	√	√	√
* Other Executive Board Members	√	√	√	√	√



In addition to criteria related to the Critical Performance Indicators, qualitative criteria are taken into account (such as team management and human resource utilisation, achievement of results, leadership, collaboration, promoting changes, introducing best practices within the Company, etc).

#### ***4.2.6 Allocation of Payments***

Once the amount of variable remuneration has been determined, it may, by decision of the competent corporate bodies, be distributed as a combination of cash and financial instruments (shares or other form that may be defined from time to time), which may constitute up to 50% of the amount.

The percentage of financial instruments can be higher at the request of the Board Member and/or the Executive, subject to the approval of the Board of Directors following a recommendation by the Remuneration Committee. The cash component may be replaced by pension contributions. Up to 60% of the remuneration may be paid within the year set for allocation, while the payment of at least 40% of the remuneration to be granted may be deferred for five (5) years from the initial payment (and will be paid in the relevant annual anniversaries). The deferred amount, however, is paid if the Board Member or the Executive still maintains his status within the Company at the time of payment, and is paid on a pro rata basis, consisting of cash (or pension contributions as above) and financial instruments, in accordance with the combination that may be specified as described above.

Any financial instruments granted must incorporate a mandatory non-transferrable period of one year. For the part of the bonus granted in shares, the number of shares is calculated based on the amount granted divided by the average share price of the last 30 days at the time of payment. Subsequently, the shares are allotted in advance or at the scheduled allotment periods. All payments under the Policy are made subject to applicable law.

#### ***4.2.7 Provisions for Malus and Clawback of Remuneration***

The Company may reduce the value of all or part of the non-vested variable remuneration, in case its performance is particularly sub-standard, especially in terms of financial results or risk management or other matters that may affect its capital base or risk level, and this situation is specific and related to the Board Member and/or the Executive.

These cases may include damage incurred by the Company due to gross negligence or intentional misconduct of the Executive, cases where the Executive does not meet the appropriate standards of competence and decency, including cases where the Executive causes the imposition of supervisory sanctions.

To the extent possible, the Board of Directors may decide to pay the Executive part or all of the variable remuneration, in the event that the Executive resolves within a specified period the issue that was the trigger for the activation of the non-payment arrangements, under condition that there will be no adverse effects for the Company.



The Variable Remuneration Framework is subject to review and approval by the Board upon recommendation of the Remuneration Committee and the Company continues to have discretion to amend or withdraw it.

## ***5. Remuneration Report & procedure for Updating the Remuneration Policy***

### ***5.1 Remuneration Report***

In accordance with Law 4548/2018 (article 112), the Company prepares and publishes a clear and comprehensible annual Remuneration Report, which provides a complete review of all remuneration received by the Members of the Board of Directors during the last financial year, as well as the relevant reasoning for granting them. The Remuneration Report includes all types of allowances that were granted or owed to the persons, whose remunerations have been included in the Remuneration Policy, issued pursuant to article 110, during the last financial year, regardless of whether they are newly elected or former members of the Board of Directors.

The Remuneration Report of the last financial year is submitted for discussion at the Annual General Meeting of Shareholders as a special item on the agenda. Shareholders' vote on the Remuneration Report is advisory. The Board of Directors must present in the next Remuneration Report the way in which the vote outcome was taken into account.

The Remuneration Report is available on the Company's website for a period of ten (10) years following the General Assembly. The Company may make the Remuneration Report available on its website for a period of more than ten (10) years, provided that it no longer includes personal data of the Members of the Board of Directors and subject to the provisions of the General Data Protection Regulation of the European Union.

The Company's auditors check, in this case, whether and to what extent the information of article 112 of Law 4548/2018 has been provided.

### ***5.2 Policy Review***

The Remuneration Committee regularly reviews the Policy to ensure it remains compliant with its principles at all times. The review takes into account the comments of Shareholders, including the decisions of the Shareholders and market developments in the financial sector.

At the end of its validity (or earlier if there is a significant change in the conditions on the basis of which it was drawn up), the Policy is updated and resubmitted to the General Meeting of Shareholders for approval.