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Valid as of: 01.01.2019

Applicable to: Eurobank Ergasias  
S.A

## Policy

**Name:** Eurobank Directors' & General Managers'  
Remuneration Policy

**Responsible Unit:** Group Human Resources General Division

**Purpose:** The Eurobank Directors' & General Managers' Remuneration Policy is created to describe the key components and considerations of the remuneration framework for the Eurobank Ergasias S.A. Board of Directors and the General Managers of the Bank and to satisfy the requirements of Law 4548/2018.

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### 1. Background & Regulatory Framework

Eurobank Ergasias S.A. (Eurobank / the Bank) has established a Eurobank Directors' & General Managers' Remuneration Policy (the Policy) in line with related requirements of the Law 4548/2018 (the Law), applicable as of 01 January 2019. It has been created to satisfy the pertinent terms of the Law (articles 109, 110, 111, 112 and 114) and describes key components and considerations of the remuneration framework for the members of Eurobank's Board of Directors (Board) and the General Managers of the Bank.

The Policy is in compliance with L. 4261/2014, which has transposed into Greek law Directive 2013/36/EU, and BoG Executive Committee's Act 158/10.05.2019 which adopted EBA Guidelines on sound Remuneration Policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013 and BoG Act 2577/2006. It also complies with relevant stipulations of the Relationship Framework Agreement (RFA) with the HFSF and L. 3864/2010.

## 2. General Principles & Scope of the Policy

The objective of the Policy is to safeguard that remuneration is both reasonable and sufficient to retain and attract directors and senior management with appropriate skills and experience to develop and implement the Bank's business strategy and ensure its long-term interests and sustainability, while avoiding excessive risk taking. This is achieved through the continuous monitoring of market trends and best practices on domestic and global levels and the setting of the remuneration framework which defines the salary structure and ranges, in order to attract and retain talented individuals accordingly.

External, independently-produced benchmarking analysis of the remuneration of the employees of the banking sector in Greece, including Eurobank, is used in establishing the Policy, as well as the Bank's remuneration framework.

The Policy is applicable with regard to the members of the Board, as well as the General Managers of the Bank. More specifically, the Policy concerns the following categories:

- Directors
  - Non-Executive
  - Executive
- General Managers of the Bank

Directors and General Managers must avoid situations where their interests may come into conflict with the interests of the Bank and with their duties to the Bank. They must report the existence of conflicts of interest as well as they must abstain from participating and intervening in deliberations and voting on resolutions or decisions in which they have a conflict of interest. In this context, Directors abstain from voting on resolutions of the Board concerning their own remuneration.

## 3. Remuneration of Eurobank's Directors & General Managers

In accordance with the structure and remuneration framework of the Bank, the remuneration systems applicable to Non-Executive Directors, Executive Directors and General Managers of the Bank are separately described below.

### 3.1 Non-Executive Directors Remuneration

Members of the Board are appointed at the general meeting of the shareholders or by the Board, as the case may be, while their term of office is decided, in line with the applicable legal framework and the Bank's Articles of Association.

Non-Executive Directors receive fixed remuneration only and are not eligible to receive variable remuneration. Their fixed remuneration constitutes Board Fees, which are set according to the individual's position(s) on the Board and Board Committees, as named below, and take into consideration the relative expected contribution of each Director and the extra effort and time dedicated by Chairpersons, Vice Chairpersons and non-Greek residents.

#### **(i) Board**

- Chairman of the Board
- Vice Chairman of the Board
- Members of the Board

#### **(ii) Audit / Risk Committee**

- Chairman of the Bank's Audit or Risk Committee residing in Greece
- Chairman of the Bank's Audit or Risk Committee residing abroad
- Vice Chairman of the Bank's Audit or Risk Committee residing in Greece

- Vice Chairman of the Bank's Audit or Risk Committee residing abroad
- Members of the Bank's Audit Committee residing in Greece and the Hellenic Financial Stability Fund (HFSF) Representative
- Members of the Bank's Audit Committee residing abroad
- Members of the Bank's Risk Committee residing in Greece and HFSF's Representative
- Members of the Bank's Risk Committee residing abroad

**(iii) Nomination / Remuneration Committee**

- Chairman of the Bank's Nomination or Remuneration Committee residing in Greece
- Chairman of the Bank's Nomination or Remuneration Committee residing abroad
- Vice Chairman of the Bank's Nomination or Remuneration Committee residing in Greece
- Vice Chairman of the Bank's Nomination or Remuneration Committee residing abroad
- Members of the Bank's Nomination or Remuneration Committee residing in Greece and HFSF's Representative
- Members of the Bank's Nomination or Remuneration Committee residing abroad

The accumulated fees of the Non-Executive Directors individually should not exceed the total fees of the Chairman of the Board.

Moreover, in accordance with the provisions of L.3864/2010, the annual accumulated fees for individual Non-Executive Directors from various participations on the Board and Board Committees should not exceed the remuneration of the Governor of the Bank of Greece.

Additionally, a breach of the attendance requirements, which are set out in detail within the Board & Board Committee Attendance Policy, will result in the adjustment of fees based on the corresponding attendance ratio at the end of the year. More specifically, if a Director's attendance ratio is 85% and above, then the member will receive the 100% of the annual remuneration he/she is entitled to receive, whereas, if the attendance ratio is below 85%, then there will be a proportional payment of remuneration (e.g. in case the attendance ratio is 84%, then the Director will receive the 84% of the annual remuneration he/she is entitled to receive).

Finally, the Non-Executive Directors are not entitled to supplementary pension neither early retirement schemes nor any payments linked to the termination of their Board or Board Committee positions with the exception of the Chairman of the Board of Directors to whom the following provision applies: The Chairman of the Board of Directors who leaves the Bank before the ordinary term of his/her mandate (such ordinary term being determined during his/her election process) following the initiative of the Bank without a valid legal reason for such initiative, is entitled to a severance payment amounting to 12 gross monthly fees. The total remuneration of the Chairman of the Board of Directors over a period of one year prior to the termination of his/her mandate, including the amount of severance pay, cannot exceed the Bank of Greece Governor's salary cap at the time each payment falls due.

### **3.2 Executive Directors Fixed Remuneration**

Executive Directors receive a fixed salary only and are not eligible to receive Board Fees or variable remuneration.

As described above, members of the Board are appointed at the general meeting of the shareholders or by the Board, as the case may be, while the term of office is decided, in line with the applicable legal framework and the Bank's Articles of Association.

Executive Directors are employed based on permanent, indefinite contracts that include a required notice period on behalf of the Directors (three months period).

Similarly to the above, in accordance with the provisions of L.3864/2010, the annual accumulated remuneration of the Executive Directors should not exceed the remuneration of the Governor of

the Bank of Greece.

### 3.3 General Managers Fixed Remuneration

General Managers receive a fixed salary only and are not eligible to receive Board Fees or variable remuneration.

Similarly to the Executive Members of the Board, General Managers are employed based on permanent, indefinite contracts that include a required notice period on behalf of the employees (three months period). Additionally, in accordance with the provisions of L.3864/2010, the annual accumulated remuneration of the General Managers should not exceed the remuneration of the Governor of the Bank of Greece.

### 3.4 Benefits

The Bank aims to offer competitive and fair benefits to Executive Directors and General Managers and coverage of professional expenses, in line with market practices. The range of benefits to which they are entitled to (but is not limited to) may include private pension scheme, private life insurance scheme, private medical scheme, company car, mobile phone, reimbursement of travel and business expenses, staff pricing on banking products and allowances related to children and childcare. In particular, Bank's contributions to the private pension scheme are set at 2% for the part of the salary up to € 2,432.25 and 8% for the part of the salary that exceeds this amount with the exception of the CEO / Deputy CEOs / GMs participating to SPC or permanent attendees to SPC for whom Bank's contributions are set at 15% for the part of the salary that exceeds the amount of € 2,432.25.

The travel and accommodation expenses incurred by the Non-Executive Directors in relation to Board and Board Committee meetings and in the course of the Bank's business are reimbursed.

### 3.5 Separation Policy

The Executive Directors, the General Managers and the rest of Executive Board Members (Senior Executives) are entitled to a severance payment, under articles 99-101 of L.4518/2018, according to the provisions of Eurobank's Separation Policy, which sets out the approach to attract and retain Senior Executives at Eurobank, to the Executive Directors who leave the Bank in good terms, excluding the case of resignation or retirement, according to their total years of service in the Group as follows:

- (i) For those who have up to 10 years of service in the Group, a lump sum equal to 12 gross monthly salaries is awarded;
- (ii) For those who have equal to or more than 10 and less than 15 years of service in the Group, a lump sum equal to 18 gross monthly salaries is awarded;
- (iii) For those who have equal to or more than 15 years of service in the Group, a lump sum equal to 24 gross monthly salaries is awarded; and
- (iv) The lump sum is subject to a 6-month non-compete clause, the upfront component (i.e. 60%) will be paid after the end of the 6-month non-compete period whereas both the upfront and the rest of the deferred components are subject to malus and clawback arrangements.

Alternatively, the Senior Executive, instead of the abovementioned severance payment, could opt for either a paid long-term leave equal in duration to the number of the months corresponding to his/her years of service bracket or a Voluntary Exit Scheme that will be applicable at that time. The Senior Executive can assume employment in another employer (excluding employment in the banking sector in Greece) during the paid long-term leave period. In case the Senior Executive decides to assume employment within the Greek banking sector, he/she will have to notify the Bank in writing and the employment relationship between the Senior Executive and the Bank ceases. In such a case, the Bank has to pay the Senior Executive the remaining amount up to his/her legal indemnity (by deducting the amount already paid in the form of salaries). In case the sum of salaries already paid is greater than the legal indemnity, the Senior Executive has to return to the Bank the excess amount. The Senior Executives are entitled to "staff rates" with respect to the mortgage loans that they may have at the time the separation agreement is signed. They will also continue to be entitled to "staff rates" for the VISA Cards they may already have for a period of one year after their departure from the Bank.

In any case, the total remuneration of the Senior Executives over a period of one year prior to the termination of their contract plus the amount of severance pay cannot exceed the Bank of Greece Governor's salary cap at the time each payment falls due.

For such severance payments consideration is given to the Senior Executive's track record, non-competition clauses are applicable, deferral is applied and payments may be subjected to malus and clawback.

### 3.6 Current Restrictions regarding Variable Remuneration

In line with existing domestic regulatory restrictions (L. 3864/2010), the Executive Directors and General Managers, for which this Policy is applicable, are not currently eligible to receive variable remuneration including share based remuneration. Should these domestic regulatory restrictions on variable remuneration be lifted, the Policy will be revised accordingly. In any case, it is noted that any variable remuneration that may be awarded in the future will follow the variable remuneration provisions of the Bank's Remuneration Policy (<https://www.eurobank.gr/-/media/eurobank/omilos/enimerosi-ependuton/remuneration-disclosures.pdf>) and, specifically, any variable remuneration awarded to members of the Board would be subject to approval at a general meeting of the shareholders. In addition, it is noted that the terms of any variable remuneration awarded in the form of the Bank's shares or share options shall be subject to the approval at a general meeting of the shareholders, regardless of role or position of the recipients.

Note: Currently the Bank does not maintain any programs for the awarding of Bank's shares as part of remuneration.

## 4. Policy Adoption, Implementation & Revision

The Policy is submitted by the Board for approval at the general meeting of the shareholders, at which the vote of the shareholders is binding.

The Board is responsible for periodically reviewing and overseeing the implementation of the Policy. The Remuneration Committee assists the Board regarding the drafting, revision and implementation of the Policy and makes relevant recommendations. To assist with the process and ensure the management of risks related to conflicts of interest, the drafting and any revisions of the Policy are coordinated by the Group Human Resources General Division and take into account the input provided by all competent corporate functions: Group Risk Management, Group Compliance, Group Internal Audit, Group Strategy and Legal Units.

Where the general meeting of the shareholders does not approve the proposed Policy the company pays remuneration to its Board members according to the existing Policy or existing practices (if no Policy has been approved) until the following general meeting at which time a revised Policy shall be submitted for approval.

The Policy should be submitted for approval at the general meeting of the shareholders at least every four (4) years and each time a material change to the Policy occurs. The present Policy has been approved by the general meeting of Eurobank's shareholders dated 19.07.2019 and shall be effective for four (4) years unless a material change to the Policy occurs requiring its earlier revision.

## 5. Disclosures and Reporting

The approved Policy, together with the relevant date and results of the vote of the general meeting, is subject to publicity formalities and will remain publicly available on the Bank's website, free of charge, at least as long as it is applicable. The approved Policy is accessible to all employees through the Bank's intranet site.

Subject to any revision of the Policy, the relevant Board of Director's Annual Report shall describe and explain any changes to the Policy.

The Bank shall produce for each financial year a Remuneration Report concerning the remuneration of persons to which the Policy is applicable, in line with the requirements of Article 112 of the Law. The Remuneration Report shall be reviewed on an annual basis for compliance with the requirements of Article 112 by the statutory auditors, will be submitted for discussion at the general meeting of the shareholders and will be made publicly available, free of charge, on the Bank's website for a period of at least ten (10) years (taking into consideration some specific requirements regarding personal data protection). The Board has collective responsibility to ensure that the Remuneration Report is drawn up and published in line with the requirements of the Law.

How the votes and views of the shareholders with regard to the Policy and the Annual Remuneration Report are taken into account shall be documented within the corresponding decision of the general meeting of the shareholders.

## 6. Appendices



## 7. References

- a) Eurobank Ergasias S.A. Remuneration Policy

## 8. Amendments Table

Version	Date	Change Description
1.0	28.06.2019	The Eurobank Directors & General Management Remuneration Policy created in line with relevant requirements of Law 4548/2018.

## 9. Table of Creation, Issuance and Approvals

Unit	Authorized Personnel	Date
<b>Created by:</b> Group Human Resources General Division, N. Paschali, 28.06.2019		
<b>Issued by:</b> Group Human Resources General Division, N. Paschali, 28.06.2019		
<b>Recommended to the BoD by:</b> Remuneration Committee, 28.06.2019		
<b>Proposed to the AGM by:</b> Non-Executive Directors of the Board, 28.06.2019		
<b>Approved by:</b> Shareholders General Meeting, <i>(pending ratification at the 2019 General Meeting)</i>		