



## REMUNERATION POLICY

# Remuneration Policy



## REMUNERATION POLICY

### 1. REMUNERATION POLICY PRINCIPLES

The Remuneration Policy of OPAP S.A. (OPAP or the Company) applies to the remuneration of all members of the Board of Directors<sup>1</sup>. It is designed to reflect fairness in the context of pay conditions to all employees and align Board remuneration with the interests of our shareholders. The objective of the Remuneration Policy is therefore to meet market practice, to serve the Company's strategic vision, its shareholders, clients and wider stakeholders. With this in mind, our remuneration policy is based on the following principles:

#### Transparency

A simple remuneration structure is key to allow employees and shareholders alike to easily discern performance priorities. We avoid complex variable remuneration structures by implementing clear annual performance measurement complemented by a basic profit-sharing scheme. All remuneration decisions are transparently disclosed in our annual remuneration report.

#### Alignment of interests between shareholders and management

The remuneration policy promotes profitability and sustainability of performance in the long term. Financial performance measures and targets are consistent with our market guidance communicated to shareholders

#### Alignment of interests between employees and management

We look beyond management in all our remuneration decisions. The Annual Bonus Plan is open to employees and our long-term profit-sharing scheme has participants corresponding up to **60%** of the Key Management Personnel<sup>2</sup>. Pay increases to Executive BoD Members will be aligned with the pay development of the overall workforce.

#### Attraction and retention of the right people

Executive and non-executive remuneration packages are regularly reviewed to avoid misalignment with market practice and ensure exceptional performance is appropriately rewarded.

#### Performance-based remuneration

A significant part of the compensation paid to the Executive BoD Members is variable and shall vest only upon the achievement of pre-defined performance targets.

<sup>1</sup> It is noted that the present policy applies to all members of the Board of Directors including the Company's Managing Director (CEO) and its deputy (if any), as well as the General Manager (if any) and its deputy (if any), according to the specific provisions of articles 110 and 111 of law 4548/2018



## REMUNERATION POLICY

The Remuneration Policy through the alignment with the above principles contributes to the company's business strategy, long-term interests and sustainability. It does so by allowing the Company to recruit individuals of the right calibre and background to the various roles and to then ensure that their pay is appropriately linked to OPAP's long term goals and is primarily aligned with the Company's shareholders, but having regards to a wider group of stakeholders such as employees. The Remuneration Policy meets the legal requirements and ensures compliance with the Greek and European legal framework.

### 2. REMUNERATION GOVERNANCE

The Remuneration & Nomination Committee ("RNC") designs the Remuneration Policy based on the Remuneration Policy Principles and with the support and consultation of all relevant teams and departments of the Company, as deemed necessary. The RNC has also access to external consultants where deemed necessary.

In this process, the RNC shall take into consideration:

- Variable remuneration arrangements are considering best practice of Greek issuers and international sector peers.
- The target pay mix shall take into account OPAP's employees' average monthly salary and pay frequency, including mandatory withholdings by Greek Law (i.e., social security contributions, stamp tax, income tax, special tax levy or any similar levy /contribution that may be imposed in the future).
- Compliance with legal framework.

### APPROVAL PROCESS

The approval process of the remuneration of the Members of the Board of Directors, is determined by the Company's Articles of Association (Clause 19), the Law 4548/2018 (clauses 109-112) and the Corporate Governance Framework.

The RNC submits the policy for approval by the Board of Directors. Executive Board members abstain from the Board's vote on the remuneration policy. Once agreed by the Board of Directors, the final policy is submitted as a voting item to the General Assembly of Shareholders ("General Assembly"). At the General Assembly the members of the board of directors who, at the same time, hold the shareholder capacity shall not participate in the voting of the Remuneration Policy and they shall not be taken into account for the achievement of quorum and majority. The result of the voting is binding. The approved Remuneration Policy, along with the date and results of the vote shall be available on the website of the Company, as long as it is applicable.

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<sup>2</sup> Key Management Personnel (for the purposes of this policy): Executive Directors, Senior Management, Directors [May 2021: in total 60 persons]



## REMUNERATION POLICY

If the majority of valid votes is not cast in favour of the proposal at the General Assembly, the Company will submit a new proposal at the following General Assembly. The pre-existing policy will remain in place until a new policy is approved.

### REMUNERATION REPORT

The Board of Directors drafts and publishes a clear and informative annual remuneration report providing a comprehensive overview of the total remuneration received by the members of the Board of Directors in the previous financial year and the respective rationale, as per Law 4548/2018 (clause 112).

The Company's auditors check whether the remuneration report contains the information required by Law.

The remuneration report is being submitted annually to the General Assembly as a separate item of the agenda. The vote of the shareholders on the remuneration report is advisory. The Board of Directors explains in the next remuneration report how the result of the vote by the General Assembly has been taken into account.

The remuneration report is available on OPAP's corporate website, for a period of ten years following the General Assembly. The company may keep the remuneration report available on its website for a period longer than ten (10) years, provided that it no longer contains the personal data of the members of the board of directors and without prejudice to the provisions of the EU General Data Protection Framework.

### REMUNERATION POLICY REVIEW

The RNC reviews OPAP's remuneration policy regularly to ensure continuous alignment with its principles. The review shall particularly consider shareholder feedback, including vote decisions of the General Assembly and pay developments across the wider workforce.

In the event of material changes, but at least every four years, the remuneration policy will be submitted to the General Assembly for approval.



## REMUNERATION POLICY

### 3. REMUNERATION COMPONENTS

#### DIRECTORS FEES

Each member of the Board of Directors receive a fixed annual fee capped at €36,000. In addition, audit committee members and the Chair of the audit committee are entitled to a supplementary annual compensation which cannot exceed 3x the fixed annual fee for their role as ordinary members of the Board of Directors.

To receive 100% of Board fees, full meeting attendance is required. For attendance below 70%, Board fees will be reduced proportionally.

Expenses such as travel and accommodation in relation to Board and committee meetings as well as relevant expenses are reimbursed. All monthly emoluments are subject to social security, tax, special tax levy (STL) and stamp tax withholdings.

#### EXECUTIVE BOD MEMBER REMUNERATION

The executive members of the Board of Directors hold the following positions:

- Executive Chairman
- Chief Executive Officer
- Chief Financial Officer<sup>3</sup>

The RNC reviews the performance of Executive BoD Members annually and proposes executive pay outcomes to the Board of Directors accordingly. Executive BoD Members do not take part in the final Board decision on pay outcomes.

Executive remuneration consists of an annual base salary, discretionary benefits in kind as well as variable pay, consisting of an annual bonus and a long-term profit-sharing scheme. Variable pay components may be paid in cash as a profit-sharing distribution. Further deferral of cash variable pay awards is therefore not practical. This profit-sharing option is subject to approval by the General Assembly.

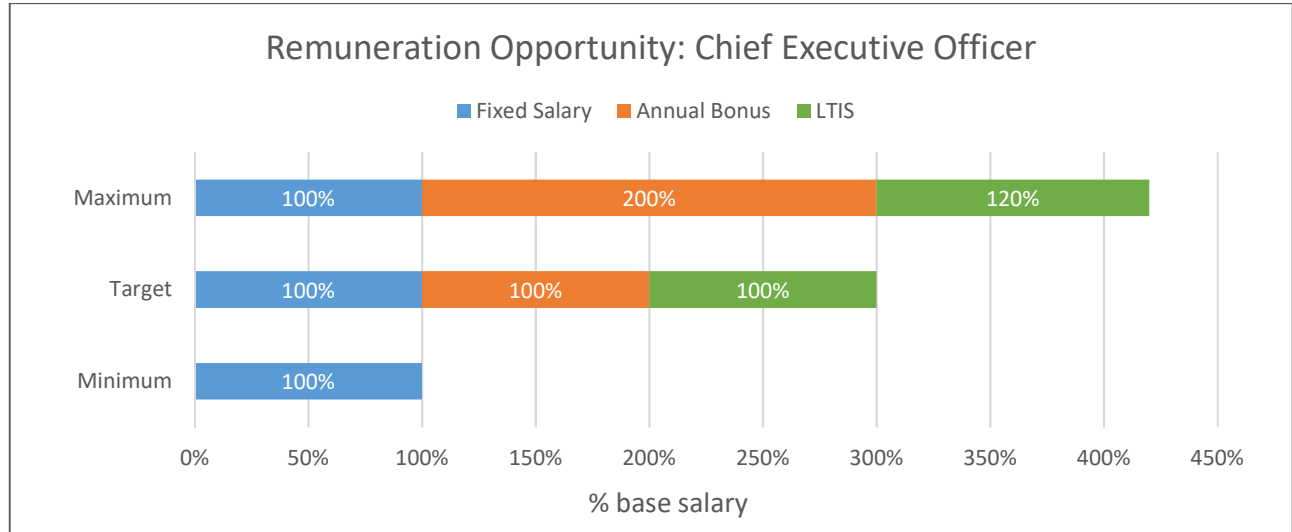
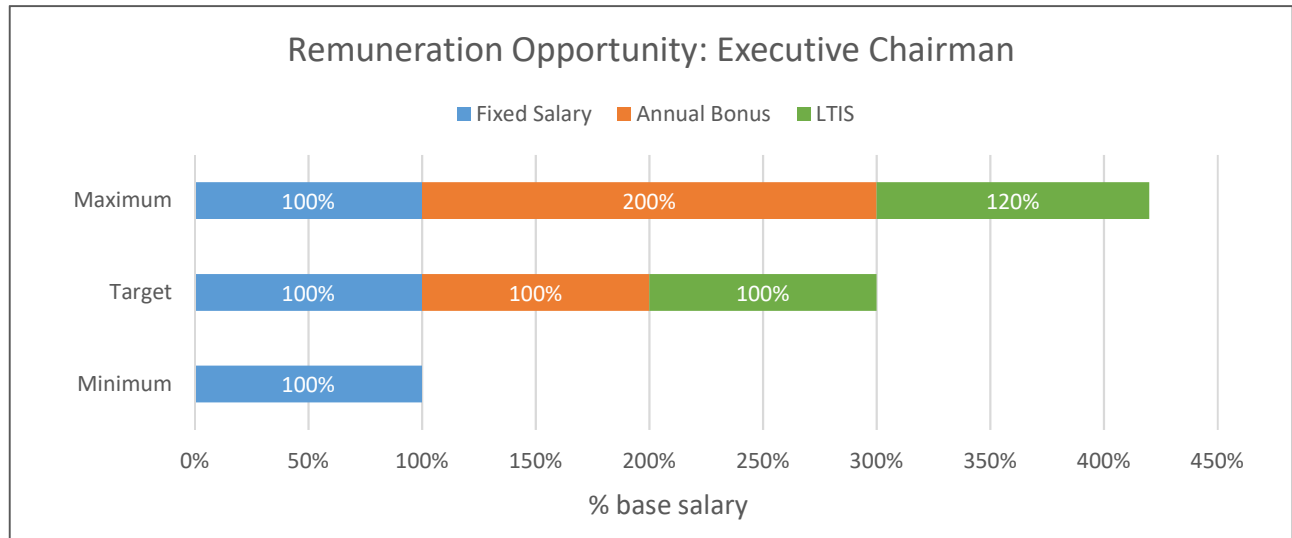
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<sup>3</sup> Provisions in the present policy applicable to the Chief Financial Officer shall be also applicable to any additional Executive Board Member position the Board of Directors may design in the future as well as to the positions of the Deputy CEO, General Manager and its deputy that may exist in the future.



## REMUNERATION POLICY

### *Relative Proportion of Annualized<sup>4</sup> Variable Pay Outcomes<sup>5</sup>*

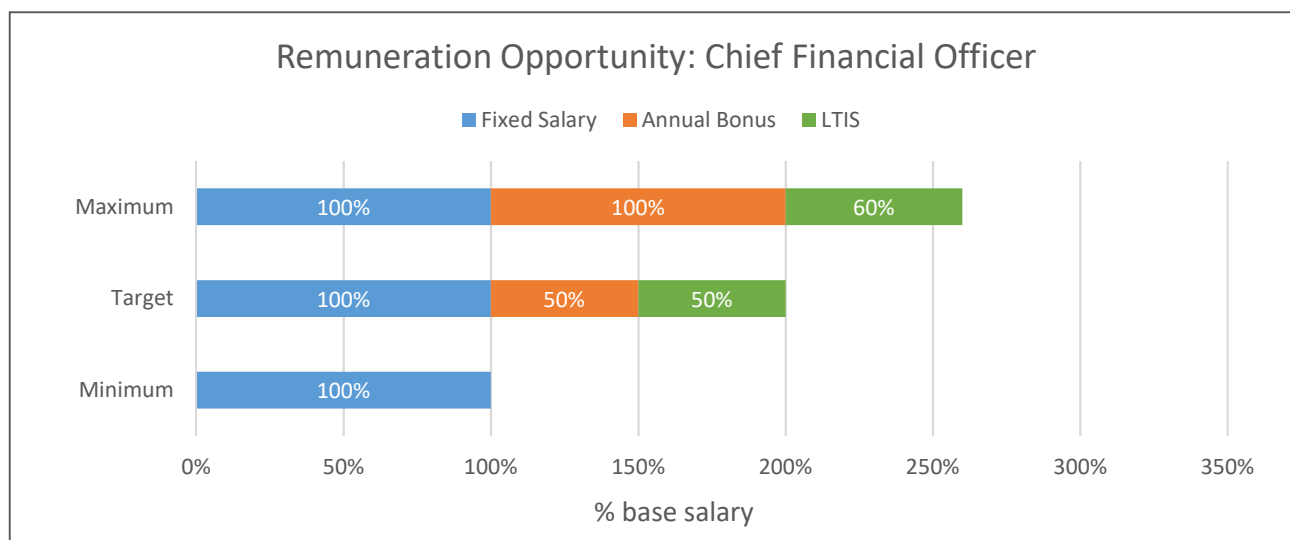


<sup>4</sup> Please note that awards under the LTIS awards do not vest annually but every three years. The charts in this section reflect annualized outcomes, i.e. one-third of the full grant under each LTIS.

<sup>5</sup> Annual bonus payments are contractually fixed net of (a) social security, (b) tax depending on tax scales and, (c) special tax levy depending on STL scales mandatory withholdings. The relative proportion of base salary and annual bonus payment schedule at gross may therefore vary.



## REMUNERATION POLICY



### Fixed Salary

The fixed annual salary is divided in 14 payouts.

Fixed remuneration reflects the level of responsibility, experience and expertise of the Executive BoD Members. It must be competitive with respect to comparable entities and appropriate considering the financial situation of the Company. The fixed salary is regularly reviewed and set having regards to market levels as evidenced by the Top Executive Compensation Survey (Greece & Europe) as well as internal alignment. This process is supported by an international consulting firm. Relevant peers and names of supporting consultants are disclosed in the remuneration report.

### Annual Bonus

Performance criteria of the annual bonus are aligned with the Company's short-term objectives, as determined by the Company's strategic priorities. Participation in the annual bonus plan is open to employees who are not members of the Board of Directors upon invitation by executive Board members.

The annual bonus of the Executive BoD Members reflects the previous year's personal and financial results, as well as overall company performance, taking into account key profitability metrics. Key performance indicators ("KPIs") are split between financial group results (minimum of 50%), such as revenue, EBITDA or net profit, and non-financial, personal performance as well as qualitative and business operational criteria (up to 50%).

Performance targets for each KPI are set by the RNC at the beginning of the performance period. At the end of a financial year, the RNC assesses executive performance against these pre-set targets to determine individual quantitative and qualitative achievement and makes respective proposals to the BoD. Performance criteria, targets and individual performance for the previous financial year will be described in the



## REMUNERATION POLICY

remuneration report. Any such disclosure will be provided on transparent manner respecting the commercial sensitivity reasons.

Target and maximum amount of the annual bonus is set as a percentage of base salary of the executive Board member. Upon meeting the performance targets, the Executive BoD Members' annual bonus is awarded in cash without further deferral.

Performance	Annual Bonus Award (% fixed salary)		
	Executive Chairman	Chief Executive Officer	Chief Financial Officer
<b>Below threshold of 70% performance</b>	0%	0%	0%
<b>At target performance</b>	100%	100%	50%
<b>At maximum performance</b>	200%	200%	100%

Assessment of performance – assessment of attainment of the performance achieved under the annual bonus plan, both financial and non-financial, is subject to approval by the BoD following respective recommendation of the RNC.

### *Long-term Incentive Scheme (LTIS)*

The long-term incentive scheme (LTIS) program aligns pay outcomes with the long-term performance of the company and contributes to the company's business strategy, long-term interests and sustainability by signaling to participants about the importance of long term oriented behavior and financial outcomes. LTIS participants are the Executive BoD Members and other key management personnel recommended by the Chief Executive Officer to the RNC and submitted for approval to the BoD with overall participants corresponding up to 60% of the Key Management Personnel.

LTIS performance of Executive BoD Members is based on quantitative criteria, consisting of company profitability, namely EBITDA – CAPEX (50%) and share price performance (50%) measured over a three year period. Targets for both metrics are set by the RNC at the beginning of the performance period.

At the end of the three year period the RNC assesses the performance based on audited financial results. Target achievement is binary.

Performance	LTIS Award (% fixed salary)		
	Executive Chairman	Chief Executive Officer	Chief Financial Officer
<b>No performance targets achieved</b>	0%	0%	0%
<b>One performance target achieved</b>	25%	80%	25%
<b>Both performance targets achieved</b>	100%	100%	50%
<b>Performance targets overachievement</b>	120%	120%	60%





## REMUNERATION POLICY

Awards are made after a three-year performance period and settled in cash. Only one LTIS is running at any one point in time.

Year	0	1	2	3	4	5	6	7
LTIS I	Target Setting	Performance Period			Performance Measurement and Payout			
LTIS II				Target Setting	Performance Period			Performance Measurement and Payout

LTIS participants must be employed for a period longer than two years. Awards lapse if the individual is no longer employed at the time of the program's expiration. The total pool for each 3-year LTIS tranche is capped and will be disclosed in the remuneration report.

### *Variable remuneration – Share option plan*

The variable remuneration of Executive Board members may be, in total or partially, granted in Company's shares of equivalent value of the amount awarded to them according to the above described performance terms and conditions, through stock options or stock awards plans (or any combination of the two) to the members of the BoD and to the personnel of the company, as well as of its affiliated companies, according to the terms and conditions established by the General Assembly, based on the respective provisions of articles 113 and 114 of Law 4548/2018, as in force.

### *Other Contractual Arrangements*

#### *Benefits*

The Executive BoD Members are entitled to benefits in kind and corporate tools, including use of a corporate car, mobile phone, private health insurance (including coverage of spouses and children), group health & life insurance, a fuel card, a corporate credit card, laptop, and parking.

OPAP does not currently provide any pension benefits in addition to the legally required social security contributions.

Executive BoD members permanently domiciled outside of Greece have access to the following benefits:

- House Lease – size and monthly rent depending on family size
- Defined number and category of Air tickets to Home Country
- Support in order to meet tax filing obligations in host country, by Company's designated tax advisor
- Tuition fees payment for children until end of secondary school education



## REMUNERATION POLICY

- International medical coverage plus eventual extra coverage for travel insurance (eventual also for family members)

The above supplementary benefits are approved by the BoD following respective recommendation of the RNC based on the Company's "International Assignments Policy."

Benefit payments are capped at 40% of fixed salary per year and individual.

### *Term length*

Contractual terms of Executive BoD Members cannot exceed four years. Upon recommendation of the RNC, the BoD may approve an indefinite extension of this term, according to the related parties' transactions framework.

### *Termination of employment*

In case of termination of employment by the initiative of the Company, the indemnity is paid as provided by the relevant contractual provision and the Greek labor law. The BoD following respective recommendation of the RNC may also negotiate additional incentives in cases of early termination.

The notice period may not exceed six months. The total indemnity value for the contractual notice period including severance pay may not exceed six months' remuneration, including all components of remuneration.

### *Change-in-control*

The Board of Directors in its discretion may decide that, based on this remuneration policy for Executive BoD Members, specific terms shall apply for accelerated vesting or exercise as well as for adjustment of the incentive programs in case of a take-over in whole or in part, significant divestiture of activities, demerger, merger or other amalgamation of the Company. The Board of Directors may also adjust the long-term incentive operation to allow for any changes to the Company's capital structure or in the event of other material events. In exercising its discretion the Board of Directors will act as possibly to mitigate any misalignment with shareholders, for example by pro rating of awards to reflect the time to vesting being reduced by the occurrence of the change in control event.

### *Non-compete Clause*

The Chief Executive Officer will be bound by a non-compete clause applicable to Greece and Cyprus for a two-year period following termination of employment for any reason.

### *Clawback*

Awarded variable remuneration cannot be reclaimed by the Company.

### *Provisions for permanently domiciled abroad*

Special provisions are made for Executive BoD Members permanently domiciled outside of Greece according to the Company's "International Assignments Policy". In this case executive Board members receive their remuneration at NET to ensure that they are not affected by the country's fluctuations of mandatory



## REMUNERATION POLICY

withholdings. NET remuneration is hereby derived by deducting legally required social security contributions, income tax and a special tax levy depending on STL scales mandatory withholdings.

### NON-EXECUTIVE BOD MEMBER REMUNERATION

The company has defined as “significant remuneration” anything that would be comparable to or aligned with executive pay (salary, bonus, benefits, etc.)

Non-executive BoD Members are elected by the General Assembly for a term of up to four years. Non-Executive BoD Members do not receive any variable compensation, pension contributions or loans. Travel and accommodation expenses of non-executive Board members are approved by the Chairman of the Board of Directors.

Individual Non-executive BoD Member may be required to take on specific ad hoc tasks outside their normal duties, assigned by the Board of Directors, according to the related parties’ transactions framework. In each such case, the Board of Directors shall determine a fixed fee for the work carried out related to those tasks. Fees for extraordinary assignments for non-executive BoD members cannot exceed €36,000 per year per person.

### REMUNERATION BY COMPANY AFFILIATES & SUBSIDIARIES

Members of the Board of Directors when elected to Boards of OPAP’s affiliates & subsidiaries may receive a separate compensation by these affiliates. In this case, the annual remuneration per company should not exceed the amount of annual remuneration received from OPAP.

### RECRUITMENT POLICY

In the event of hiring Executive BoD Members additional payments may become necessary, for example to replace outstanding long-term incentive awards. New-joiners as non-executive BoD Members, receive the same monthly emolument amount with the rest of the BoD Members, starting from the month they are elected until the end of the year, aiming to ensure that the approved annual remuneration of BoD emoluments will remain unchanged.

### EXCEPTIONAL REMUNERATION – TEMPORARY EXCEPTION

In special circumstances the Board of Directors may temporarily allow specific exception from the Remuneration Policy. These payments will be only entered into under the condition that the Board of Directors, following respective recommendation by the RNC, is convinced they are in the best long-term interest of OPAP as a whole and assure its sustainability as well as in the best interest of its shareholders. Indicatively such specific exception, may be the provision of a special bonus based on exceptional exceedance of targets related to profitability and/or other business results. All exceptional remuneration shall be approved by the BoD according to the related legal framework, always following respective recommendation of the RNC and will be disclosed in the remuneration report that will be submitted to the General Assembly.