

Policy

Name: Board of Directors' Remuneration Policy

Responsible Unit: Group Human Resources General Division

Version: 2.0

Valid as of: 01.01.2020

Applicable to: Eurobank Holdings and Services S.A

Purpose: The Board of Directors' Remuneration Policy is created to describe the key components and considerations of the remuneration framework for the Eurobank Holdings and Services S.A. Board of Directors and to satisfy the requirements of Law 4548/2018.

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1. Background & Regulatory Framework

Eurobank Holdings and Services S.A. (hereinafter the 'Eurobank Holdings') has established a Board of Directors' Remuneration Policy (hereinafter the 'Policy') in line with related requirements of the Law 4548/2018 (the Law), applicable as of January 1st 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 the Board of Directors (Board).

It also complies with relevant stipulations of the Tripartite Relationship Framework Agreement (RFA) between Eurobank Holdings, Eurobank S.A. and the HFSF.

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 with appropriate skills and experience to develop and implement the Eurobank Holdings' 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 financial and the banking sector in Greece, is used in establishing the Policy, as well as the remuneration framework.

The Policy is applicable with regard to the members of the Board of the Eurobank Holdings. More

specifically, the Policy concerns the following categories:

- Directors
 - Non-Executive
 - Executive

Directors must avoid situations where their own interests may come into conflict with the interests of Eurobank Holdings. They must report timely and sufficiently 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.

It is noted that due to same composition of the Board of the Eurobank Holdings with the Board of its subsidiary Eurobank S.A. (hereinafter the “Bank”) and since the Directors shall be paid solely by one of the two, that being the Bank, any reference to the remuneration and /or the benefits payable to the Directors of Eurobank Holdings, applies to the relevant remuneration they receive as Directors of the Bank.

3. Remuneration of Eurobank Holdings’ Directors

In accordance with the structure and remuneration framework of Eurobank Holdings, the remuneration systems applicable to Non-Executive Directors and Executive Directors of Eurobank Holdings 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 Eurobank Holdings’ Articles of Association.

Non-Executive Directors receive fixed remuneration only, which is annually approved by the general meeting of shareholders of the Bank, 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 Audit or Risk Committee residing in Greece
- Chairman of the Audit or Risk Committee residing abroad

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

- Members of the Audit Committee residing in Greece and the Hellenic Financial Stability Fund (HFSF) Representative
- Members of the Audit Committee residing abroad

- Members of the Risk Committee residing in Greece and HFSF’s Representative
- Members of the Risk Committee residing abroad

(iii) Nomination / Remuneration Committee

- Chairman of the Nomination or Remuneration Committee residing in Greece
- Chairman of the Nomination or Remuneration Committee residing abroad

- Vice Chairman of the Nomination or Remuneration Committee residing in Greece
- Vice Chairman of the Nomination or Remuneration Committee residing abroad

- Members of the Nomination or Remuneration Committee residing in Greece and HFSF's Representative
- Members of the 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 of Eurobank Holdings, 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).

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 Eurobank Holdings before the ordinary term of his/her mandate (such ordinary term being determined during his/her election process) following the initiative of Eurobank Holdings 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.

Finally, the Bank's Group Medical and Life Insurance Schemes may cover the Non-Executive Directors at their own expense.

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 their term of office is decided, in line with the applicable legal framework and Eurobank Holdings' Articles of Association.

Executive Directors are employed by the Bank 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 Benefits

Competitive and fair benefits are offered to Executive Directors of Eurobank Holdings as well as coverage of professional expenses, in line with market practices. The range of benefits to which

they are entitled to (but are 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, the 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 and the Deputy CEOs for whom the 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 and Eurobank Holdings' business are reimbursed.

3.4 Separation Policy of Eurobank S.A.

The Executive Directors are entitled to a severance payment, under articles 99-101 of L.4518/2018, according to the provisions of the Bank's Separation Policy, which sets out the approach to attract and retain Senior Executives, to award 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 Executive Directors, 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 Executive Director can assume employment in another employer (excluding employment in the banking sector in Greece) during the paid long-term leave period. In case the Executive Director 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 Executive Director and the Bank ceases. In such a case, the Bank has to pay the Executive Director 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 Executive Director has to return to the Bank the excess amount. The Executive Directors 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 Executive Directors 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 Executive Directors' track record, non-competition clauses are applicable, deferral is applied and payments may be subjected to malus and clawback.

3.5 Current Restrictions regarding Variable Remuneration

In line with existing domestic regulatory restrictions (L. 3864/2010), the Directors, 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/enimerosipenduton/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 Eurobank Holdings' 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 Eurobank Holdings does not maintain any programs for the awarding of Holding'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. 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 of the Bank.

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 Holdings' shareholders dated 17.07.2020 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 Eurobank Holdings' website, free of charge, at least as long as it is applicable. The approved Policy is accessible to all employees through website.

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

Eurobank Holdings 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 website of Eurobank Holdings 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

8. Amendments Table

Version	Date	Change Description
1.0	01.01.2019	The Policy created in line with relevant requirements of Law 4548/2018 applicable to Eurobank S.A.
2.0	01.01.2020	The Policy created in line with relevant requirements of Law 4548/2018 applicable to Eurobank Holdings and Services S.A.

9. Table of Creation, Issuance and Approvals

Unit	Authorized Personnel	Date
Created by: Group Human Resources General Division, N. Paschali, 25.06.2020		
Issued by: Group Human Resources General Division, N. Paschali, 25.06.2020		
Proposed to the AGM by: Non-Executive Directors of the Board, 26.06.2020		
Approved by: Shareholders General Meeting, (pending ratification at the 2020 General Meeting)		