Piraeus Financial Holdings

Directors' Remuneration Policy

Contents

1 - PURPOSE

Piraeus Group's ability to implement a comprehensive human capital strategy to attract, retain, reward and motivate highly skilled individuals is important for the Group's continued success.

Whilst being consistent with the wider human capital strategy of the Group and the principles of the Group Remuneration Policy, the Directors' Remuneration Policy (hereinafter "Remuneration Policy") applies to the members of the Board of Directors (BoD) (hereinafter "Directors") of Piraeus Financial Holdings S.A. (hereinafter the "Company") as per the requirements of Articles 110-111 of Law4548/2018.

The Remuneration Policy lays out the general framework of remuneration currently paid as well as any future remuneration that may be offered to current and/or new Directors.

Remuneration paid to the Board of Directors takes into consideration banking regulatory provisions for categories of staff whose professional activities have a material impact on the Group's risk profile ("Material Risk Takers").

THE REMUNERATION POLICY AIMS TO:

- Attract, retain and motivate high caliber individuals who achieve the expected results by following corporate values and culture
- Support a performance driven culture that is based on excellence and on creating sustainable growth, taking into account Environmental, Social and Governance aspects
- Embrace equal pay policy for male and female individuals for equal work or work of equal value supporting a culture of fairness
- Align remuneration with profitability, capital adequacy, and liquidity without encouraging excessive risk taking
- Promote a culture of compliance and effective risk controls
- Enhance internal and external transparency

CONTRIBUTION TO BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

The Remuneration Policy contributes to the Company's business strategy and long-term interests by:

- Being consistent with and promoting sound and effective risk management and encouraging Executive Directors to focus on sustained long-term value creation incorporating environmental, social and governance (ESG) risk-related objectives
- Offering competitive and fair levels of remuneration and benefits for Directors that incentivize their dedication to the Company, with the aim of making an increasingly challenging work environment
- Creating a work environment which is comprehensive in its diversity, fostering and unlocking individual potential and creating competitive advantage
- Making adherence to the Group's values, business principles and risk culture and the measures used to avoid conflicts of interests
- Not posing a detriment to the objective of orderly and timely payback of the capital support

EMPLOYMENT CONDITIONS AND REMUNERATION POLICY

The Remuneration Policy follows the same fundamental principles of the Group Remuneration Policy, applicable to all staff, while at the same time acknowledging that the structure of remuneration for Directors is necessarily different to that of less senior employees as a result of their role, responsibility and ability to impact the performance of the business.

The Remuneration Committee and the Board of Directors approve the Group Remuneration Policy and receive periodic updates on the wider staff remuneration structure, practices and trends, which are considered when establishing and reviewing the present, in order to ensure alignment and consistency across the Group, equal treatment and that remuneration practices do not take into account gender, age, ethnicity, disability or any other discriminating characteristics.

Remuneration components of Executive Directors and other Executive Committee members follow a common framework and principles with variation on levels of pay in order to reflect individual performance and potential as well as organizational structures. Remuneration is paid proportionally for as long as each Director holds the position. New Directors that may be appointed during the validity of the present Policy, will be remunerated as provided herein and as per the relevant decisions of the General Meeting of Shareholders determining remuneration of Directors.

Each Group entity shall adhere to and apply mutatis mutandis the principles, provisions and requirements of the Remuneration Policy.

2 - REMUNERATION POLICY GOVERNANCE

The Remuneration Committee, assisted by all relevant departments and external consultants (if deemed necessary) and in cooperation with other Board Committees, where needed, designs the Remuneration Policy and respective practices, taking into consideration, inter alia, the Company's long term strategic objectives and values, risk appetite and the long-term interests of the shareholders, investors and other stakeholders. The Remuneration Committee then develops its proposals to ensure remuneration fairness and competitiveness as well as the long-term prudent and sound management of the Company and the prevention or the elimination of any conflicts of interests. Finally, the proposals are submitted to the Non-Executive Directors of the Board for approval. A detailed description of Remuneration Committee's responsibilities is included in the Committee's Terms of Reference.

Once endorsed by the Board of Directors upon recommendation of the Remuneration Committee, the Remuneration Policy is submitted for approval by the General Meeting of Shareholders. Subject to obtaining approval, it remains effective for up to four (4) years thereof unless there is a material change. In this case, the Policy is submitted to the General Meeting for approval.

The Remuneration Policy is reviewed on a regular basis by the Remuneration Committee to ensure its continued alignment with its principles. The review takes into consideration, among others, the advisory vote of the General Meeting of Shareholders on the Remuneration Report.

IN RESPECT OF CONFLICTS OF INTEREST:

- Directors have to avoid situations where their interests may come into conflict with the interests of the Company and with their duties to the Company.
- Directors must report the existence of conflicts of interest to the Board of Directors and abstain from participating and intervening in deliberations and voting on resolutions or decisions in which they have a conflict of interest. Therefore, Directors abstain from voting on resolutions of the Board concerning their own remuneration.
- In any case, situations of conflict of interest to which the Directors are subject to, have to be reported in the Annual Report on Corporate Governance and in the notes to the financial statements.

In addition, the Conflicts of Interest Policy, which constitutes part of the Group Compliance Policy and is applicable to all staff, Directors included, provides guidance on how conflicts of interests are defined, how they can be identified and what procedures should be followed when a conflict of interest arises.

The participation in a stock option plan or in any other performance-related pay scheme are presumed to be "significant remuneration or benefit" for independence assessment purposes.

DEVIATION – MANAGEMENT OF EXCEPTIONS

The Company may deviate from the Remuneration Policy under exceptional circumstances, as deemed necessary by the Non-Executive Directors of the Board. Such circumstances may include but are not limited to, extraordinary market conditions, major changes in the Company's strategy, major restructurings, changes in regulatory requirements, or the need to attract or retain key talent critical for the Company's strategic objectives. The deviation may apply mainly to variable remuneration components, without exceeding the related caps describing in the Remuneration Policy. Any such deviation shall be thoroughly documented, justified, and subject to robust governance procedures. The rationale for such deviations, along with their impact on the Company's risk profile and financial performance, shall be disclosed in the Company's annual Remuneration Report, ensuring transparency to shareholders, regulatory authorities, and other stakeholders. The Remuneration Committee shall oversee and review any deviations to ensure alignment with the Company's overall risk appetite, corporate values, and long-term sustainability.

DISCLOSURE OF THE REMUNERATION POLICY

The approved Remuneration Policy, together with the date and results of the vote of the General Meeting of Shareholders on it, shall be available on the website of the Company, as long as it is applicable.

The Group annually discloses both quantitative and qualitative information related to the remuneration of Directors, in line with all applicable legal requirements.

Remuneration paid by Piraeus Bank S.A. (hereinafter the "Bank") to Directors will be specified in the Company's Remuneration Report to be published annually from 2020 onwards. This is also made available internally.

3 - REMUNERATION COMPONENTS

The Remuneration structure that applies to Directors includes the following components:

I. FEES FOR NON-EXECUTIVE DIRECTORS OF THE BOARD

Non-Executive Directors (NEDs), including the Chair, receive annual Board fees and additional fees for membership and chairing of a Board Committee. The fees are paid in cash and are subject to periodic review during the duration of the Remuneration Policy taking into account the relevant market trends and practice of local and European organizations in order to ensure that they remain sufficient to attract high-caliber individuals with the appropriate level of skills and experience and enable them to make the required contribution, commitment and time devoted to the Board.

The fee structure for the NEDs is shown in the table below:

TABLE 01: NEDs' FEE STRUCTURE

Capacity
Chair of the Board fee
NED base fee
Vice Chair of the Board fee
Chair fee of Audit or Risk Committees
Member fee of Audit Committee or Risk Committees
Chair fee of Remuneration Committee or Nomination Committee or Board Ethics & ESG Committee
Member fee of Remuneration Committee or Nomination Committee or Board Ethics & ESG Committee
Chair / Member fee of any other BoD Committee not stated above

Main principles of the NED's fee structure are described below:

- The Chair of the Board does not receive fees for membership or chairing of any Board Committee.
- Chairs of Committees do not receive the committee member fee.
- NEDs do not receive additional fees for attendance to the Board and/or its Committees.
- Fees are paid proportionally for as long as each member holds the corresponding position.

The fee level per capacity is included in the Remuneration Report.

All remuneration payments are subject, where applicable, to social security, income tax, special tax levy and stamp tax withholdings, in accordance with applicable legislation.

NEDs are entitled only to fees described above in addition to a refund for out-of-pocket expenses (i.e. travel, accommodation) incurred for the performance of their duties, while they shall not participate to pension plans provided by the Company.

They are not entitled to receive any form of variable remuneration.

II. FIXED SALARY FOR EXECUTIVE DIRECTORS OF THE BOARD

Executive Directors of the Board receive a fixed salary, paid in cash on a monthly basis. The Company has developed a fixed gender - neutral remuneration framework, which defines the salary structure and ranges, in order to attract and retain talented individuals by reference to:

- their seniority, as established by job evaluation
- external relativities, via market rate surveys

Criteria that are taken into consideration when determining fixed remuneration include: the degree and immediacy of the position's requirements' fulfillment, the academic background, the previous professional experience, the criticality of the role, the degree of difficulty for tracing abilities/skills required for the specific position etc.

The fixed remuneration policy of Executives Directors is reviewed by the Remuneration Committee in order to ensure salaries' alignment with the Remuneration Policy principles and the market trends at domestic and European level.

III. BENEFITS

The Company aspires to offer competitive and fair rates of pay and benefits to Executive Directors (including insurance programs) and coverage of professional expenses, all in line with relevant market practice. These may include (but is not limited to) Medical Care, Life/Accident, Defined Contribution Group Insurance plans for members of Management including the Executive Directors, Children's Aid plans, optional retirement benefits, staff pricing on banking products, company car[1] following market practices and policies.

In addition, Piraeus Group has established an Institution for Occupational Retirement Provision (hereinafter "IORP") through which introduced a Defined Contribution Pension Plan covering all employees. Executive Directors may participate to the aforementioned scheme. Also, through the IORP Medical Care and Life/Accident coverage are provided.

As specified in the IORP's statute, the Defined Contribution Pension Plan provides for regular and non-regular contributions by the employer as well as the participant.

Regular employer's contributions are defined as a percentage of the individual's monthly gross salary, which is the same for all participants. The specific percentages and caps are disclosed in the Remuneration Report.

[1] Benefits are aligned with the Group Remuneration Policy covering all employees and are included in the Company's Remuneration Report.

Individuals may also participate in the plan on a voluntary basis, contributing up to a specified ceiling of their monthly gross salary.

Members are able to change their contribution twice every year. Insured members are entitled to receive a lump sum that equals with the total amount of both the employer's and participant's contributions, upon fulfillment of a set of criteria related to their age and years of insurance in the IORP. In case of member's resignation or voluntary termination of insurance in the IORP and prior to the fulfillment of the specific conditions set, the insured member receives only its own contributions.

IV. VARIABLE REMUNERATION

As a matter of principle, variable remuneration is an important part of pay for Executive Directors as it enhances incentivization to promote the Company along the strategic direction endorsed by the Board of Directors.

Variable remuneration schemes may vary per year and may have the form of an annual variable remuneration scheme, or long-term incentive plans rewarding long-term consistent performance by providing focus on delivering superior long-term returns to shareholders. Variable remuneration amounts are calculated as a percentage of the fixed component. The desired percentages are defined by reference to the market practice, the current economic situation and the Group's margins following the recommendation and the approval process described under the section "2. Remuneration Policy Governance".

On exceptional basis and circumstances, variable remuneration may also have the form of sign on bonus or retention bonus/scheme in order to attract and retain individuals with strong capability, necessary for the business plan achievement. Exceptional payments will only be awarded when the Remuneration Committee determines they are in the long-term interest of shareholders, following the procedure under section "2. Remuneration Policy Governance" and will be disclosed in the Remuneration Report submitted to the General Meeting of Shareholders.

For Executive Directors to be entitled to profit participation rights, a respective resolution of the General Meeting of Shareholders is required. Same applies for stock option plans.

Variable remuneration will be approved by the General Meeting of Shareholders when required. The variable component (short term and long term) cannot exceed 100% of the fixed component of the total remuneration of each individual. The General Meeting of Shareholders may approve a higher maximum level of the ratio between fixed and variable components provided that it does not exceed 200% of the fixed component for each individual.

a. Risk Alignment, Deferral & Restrictions

As per current regulatory framework, variable remuneration will be paid to Executive Directors only if it is sustainable according to the financial situation of the Company (and Group) and does not put at risk the soundness of the Group's capital base.

In all cases, the Group does not have a binding obligation to pay variable remuneration. If the conditions are not favorable, e.g. increased liquidity needs, spending budget overruns, the Group may decide not to pay variable remuneration, even if its financial performance permits it.

In order to connect variable payment with long-term achievements and at the same time discourage Executive Directors from undertaking excessive risk, a significant part of their payment (should this be awarded) is deferred at or above the minimum proportion of 40% or respectively 60% for particularly high amounts[2] as defined by the regulatory framework. At least half of their payment is given in instruments instead of cash. This will be applied equally to the non-deferred and to the deferred part.

In respect of the awarded instruments, a retention period of one year is set or otherwise defined by the existing legislative and regulatory framework. The deferral period cannot be shorter than 5 years or otherwise defined by the existing legislative and regulatory framework.

The above requirements on deferring and payout allocation of variable remuneration in shares or other instruments are not implemented to those Directors, whose annual variable remuneration does not exceed the amount of € 50,000 and does not represent more than one third of their total annual remuneration or as otherwise stipulated by the regulatory framework.

b. Malus & Clawback provisions

Without prejudice to the general principles of national contract and labor law, the total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Group occurs, taking into account both current remuneration and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

In case of violations of regulations/procedures, misconduct, failure to meet appropriate standards of fitness and propriety, or other equally serious cause, participation in or responsibility for conduct which resulted in significant losses, the Group shall be entitled to use any and all legal means available to claim the return of such amounts from the employee.

Malus and clawback provisions/arrangements for up to 100 % of the total variable remuneration are in place for the Executive Directors, in accordance with the existing legislative and regulatory framework.

[2] *Awarded variable amounts that exceed €1mn on an annual basis.*

V. SEVERANCE POLICY

Executive Directors are entitled to severance payments under the terms and conditions described in the Company's Severance Policy[3].

VI. CONTRACT PROVISIONS

Non-Executive Directors are elected by the General Meeting of the Shareholders, currently with a three-year tenure (and are linked to the Company with a relationship of mandate). There are no further obligations that could give rise to remuneration payments or payments for loss of office. For certain key non- executive positions, such as the Chairman of the Board, the Company may opt to formalize their mandate into a written contract.

Executive Directors sign mandate contracts with the Company, with a term which does not exceed their tenure of the Board of Directors but may contain renewal clauses in case of reelection not connected with any additional payment.

Contracts with BoD members, reviewed on a case by case basis, may enclose explicit clauses for the provision of specific severance payments approved by the General Meeting of Shareholders. Moreover, contracts with BoD members may be terminated for good reason, without any severance payment due and with no minimum prior notice.

In all cases, severance payments should be in compliance with regulatory restrictions.

There are no contractually agreed change-in-control clauses.

Contracts assigning specific ad hoc tasks to Directors, beyond their normal duties, are approved as prescribed by the related party transactions framework of law.

[3] As it applies following relevant approval by the General Meeting of Shareholders.

APPENDIX

ANNUAL VARIABLE INCENTIVE SCHEME

Annual variable remuneration in Piraeus Group consists of distinct incentive schemes, addressing distinct employee perimeters. Executive Directors participate in the Senior Management Scheme.

The Senior Management Scheme is an overarching scheme aiming to incentive the Group's leadership towards the achievement of specific KPIs, including BAU (Business-As-Usual) and transformational objectives, and strengthening alignment with shareholder interests; the scheme includes both short and long-term components.

GENERAL PRINCIPLES

The variable scheme is designed by taking several key principles into consideration:

- In order to distribute variable remuneration, Piraeus Group must be solvent, with capital levels above requirements.
- The scheme needs to be fully aligned with shareholders' interests, both short-term and long-term, promoting sound and effective risk management and discouraging excessive risk-taking.
- The design of the scheme is aligned to market reality, taking into account remuneration practices among Greek banks, and benchmarks on variable remuneration from European peers.
- The scheme must be consistent with the most recent national and international regulatory requirements.
- Rewards should be based on the individual performance, while fostering collaboration and delivery of the Group's strategic priorities, and adhering to the Group's risk appetite.
- The payout mechanism should leverage the performance evaluation system used by the Group (Become & Achieve).
- Variable remuneration reflects performance without any bias (e.g. gender-related).

Based on these principles, variable pay amount is influenced by the following factors:

- Fixed remuneration is used as starting point to ensure variable remuneration is relatively substantial and scales properly.
- Individual annual performance evaluation influences the bonus amount to drive individual performance; Piraeus uses "Become & Achieve" as its performance evaluation system; the evaluation is based on relevant KPIs per role; reflecting Group strategic objectives that are cascaded at individual manager level; KPIs relate to business, risk, efficiency and other objectives; for risk-taking areas, KPIs include at least one risk metric (e.g. cost of risk, NPE formation, Expected Credit Loss); open Internal Audit findings of high importance are also taken into consideration; basic performance KPIs are disclosed in the Company's Remuneration Report.
- Employee grade influences bonus amount; senior employees have a higher payout on average compared to junior ones, in line with common practice.
- Unit or pillar performance is a key component defining the amount of variable pay; unit/pillar performance is measured by specific KPIs per area, and have targets which are agreed at the beginning of the measurement period; Mix of KPIs per area includes business, risk, efficiency, people and other metrics; KPIs are used either as adjustment factors for the variable pay amount (upward or downward), or as gate openers.
- Group performance influences the variable pay amount received by senior management, as an adjustment factor (upward or downward); Group performance is measured by a set of specific KPIs reflecting the Group's strategic targets. Sustainability related metrics (i.e climate & ESG) are also included in the non-financial measure of the Group's balanced scorecards. Climate-related metrics include indicatively the reduction of carbon footprint, provision of sustainable finance and products, and accountability type measures such as leadership in the climate-related area.

The bonus pool sizing method is bottom up with top-down validation. Specifically, the sizing involves three key steps:

1. Calculation of individual bonuses based on performance & position, based on allocation matrices that define base bonus as a percentage of fixed salary; percentages are defined in line with benchmarks and given constraints (where relevant).
2. Calculation of bonus pool as sum of individual bonuses.
3. Validation of final pool as percentage of net profit adjusted for extraordinary items.

The BoD may apply a positive or negative discretionary adjustment to the total bonus pool in extraordinary financial results, financial performances that are either well above expectations or have unexpected significant losses than the typical or expected outcomes for the company, which is applied pro-rata to all individual bonuses.

Individuals who are under investigation by IA/Ethics Committee for fraud cases are excluded from the perimeter of the bonus schemes until the investigation is completed.

Risk considerations

Among the key objectives of this variable incentive scheme is to ensure prudency in risk taking, to dis-incentivize overly risky decisions, and to cultivate a healthy risk mindset in the Group.

Piraeus has recently strengthened its three (3) lines of defense model in credit risk, with clear & distinct Roles, Responsibilities, Processes, Monitoring & Controls, which is formed as such:

- The first line of defense owns day-to-day operational decision-making. The first line of defense is, therefore, formed by Business and Group Credit.
- The second line of defense sets the risk framework, sets or approves or endorses the risk policies and monitors their implementation by the first line. The second line is formed by Group Risk Management.
- The third line performs regular ex-post checks on the first and second lines. The third line is formed by Group Internal Audit.

Structure

As the variable pay of Executive Directors is subject to constraints resulting from Greek legislation and the applicable regulatory framework (incl. EBA guidelines on sound remuneration policies), certain design elements of this scheme (e.g. deferral period) are largely dictated by regulation, in addition to best practices and benchmarks.

The payout mechanism for the senior management scheme has the following key steps:

- Gate conditions: Bonus pool for senior management is unlocked only if the Group's net profit (adjusted for extraordinary items) is positive, and capital levels are above requirements.
- Individual base bonus calculation: Variable pay is defined as a percentage of fixed salary and individual performance evaluation based on achievement of specific KPIs in the «Become and Achieve» platform; each individual needs to achieve at a minimum 80% of their KPIs, in order to receive bonus; for overachievement of targets, an additional amount is granted; up to 20% of the total pool can be re-allocated.

  Appropriate disclosure on gate conditions, KPIs, targets and achievements are provided in the Remuneration Report.
- Payout: The payout mechanism of the scheme is in line with the most recent regulations, common market practices and the Group's strategic objectives. Specifically:
  - Bonus cap: Maximum variable pay for any year is 100% of fixed pay for Executive Directors.
  - Deferral period: 40% of variable pay deferred over 5 years as per the applicable regulatory framework (incl. EBA guidelines on sound remuneration policies).
  - Payout mix: 40% cash, 60% instruments; all instruments have a one-year retention period or as defined by the applicable regulatory framework.
  - The best-fit instrument for Piraeus Group will be defined in cooperation with Group Financial Management.
  - Ex-post adjustments: Malus (downward adjustment of deferred compensation) and clawback (reclaiming compensation that has been previously paid out) applied ex-post if appropriate.

Malus and Clawback

Both are in the discretion of the Remuneration Committee. Key guidelines for the application of these ex-post adjustments can be found below:

- The application of malus is examined in case either the business unit result or the Group result is negative in a year following the reference year, and the payout of deferred remuneration is pending. In cases where either the Group result or the business unit result is negative, and the other is positive, there is a 'soft' recommendation to withhold part of the deferred bonus to protect the Group's profitability. In cases where both Group and business unit result are negative, there is a 'hard' recommendation to withhold the entire amount of deferred bonus.

- Clawback may be enforced by the Group at any time up to five (5) years from the award date of the variable compensation. It is applied in the following exceptional circumstances:
  - The individual participated in or was responsible for conduct/ actions, which resulted in significant losses to the Group.
  - The individual failed to meet appropriate standards of fitness and propriety, assessed by reference to factors including honesty, integrity, reputation, competence, capability and financial soundness.
  - There is reasonable evidence of misbehavior by the individual or material error made by the individual.
  - The Group or the relevant business unit suffered a material failure of risk management as a result of the individual's actions.
  - Bonus paid out in breach of the applicable regulatory framework.
  - Clawback can also be government mandated.

Long-term Incentive Plan

In the context of strengthening the Employee Value Proposition through continuous enrichment of the Group's remuneration mechanisms aiming to address challenges of the rapidly competitive environment, the Long-term Incentive Plan (LTIP) further enhances the Group's ability to retain and attract talent in senior management levels.

The LTIP is a complementary variable incentive scheme that is based on Group's performance. Specifically, this scheme has been designed to encourage the Executive Directors towards long-term thinking and behaviors, by aligning performance metrics with Business Plan targets and therefore the shareholders' interests.

The scheme's basic parameters are analyzed below.

Scheme's Structure

Duration: LTIP is running in 3-year cycles observing and being linked to the Business Planning process of the Group (currently a 3-year cycle).

Basis of Evaluation: LTIP's performance metrics will be linked to Group Business Plans' targets, while individual performance will act as gate condition. Details pertaining to metrics/KPIs, targets and weightings are disclosed in the Remuneration Report.

Award Date (s): Awards will be made annually based on interim BoD's assessment of the progress against Business Plan's targets. Target individual awarded amounts vary per level of responsibility (% of fixed annual salary) and are defined in the annual Remuneration Report along with the maximum award opportunity. Total awarded amount will be distributed as indicated below:

- up to 33% of the total LTIP amount may be awarded in Q2 of the year following the first performance year of the cycle.
- up to 66% of the total LTIP amount may be awarded cumulatively in Q2 of the year following the second performance year of the cycle (for amounts related only to Y1 and Y2).
- up to 100% of the total LTIP amount may be awarded in Q2 of the year following the third performance year of the cycle (cumulatively for amounts related to Y1, Y2 and Y3).

Amounts awarded but not yet vested will be subject to a strict malus policy until the conclusion of the Business Plan period. Final evaluation of the LTIP award will take place at the end of the 3-year Business Plan period to define total pay for the period.

Vesting Condition and Schedule: The LTIP is compliant with EBA regulations and Greek law; 100% of the reward will be in instruments. Specifically, the following schedule applies:

- Vesting starts after the end of the Business Plan period and is completed 6 years after the award date.
- For the award in the year following the first performance year of the cycle: 70% of award vests in the year following the third performance year of the cycle, and 10% in each of the next three years.
- For the award in the year following the second performance year of the cycle: 60% of award vests in the year following the third performance year of the cycle, and 10% in each of the next four years.
- For the award in the year following the third performance year of the cycle: 50% of award vests in the same year (following year of Y3), and 10% in each of the next five years.

Total annual awarded amounts are subject to the provisions of the legislative and regulatory framework, as in force.

Payout Mechanism

The LTIP amount is influenced by 4 factors:

1. **Fixed remuneration** is used as starting point to ensure the LTIP amount is relatively substantial and scales properly; fixed remuneration reflects the criticality of the Beneficiary for the Group and the established remuneration practices for a given position.
2. **Level of responsibility** is used as a differentiating factor on bonus allocation percentages on fixed annual salary. Higher-level have a higher target median LTIP payout compared to lower-level ones. This distribution is aligned with market practices and takes into account the varying impact each level has on the future trajectory of Piraeus Group.
3. **Business Plan score (1-5)**[1] is used as to define the multiplying factor on bonus allocation percentages on fixed annual salary. According to the performance of the business plan on selected KPIs, including at least an ESG related KPI, a Business Plan score is assigned. A higher score indicates better performance and as a result higher payout, while Business Plan score below 3.0 indicates no bonus.
4. **Individual annual performance evaluation** influences the eligibility to receive the long-term incentive; the Company uses "Become & Achieve" as its performance evaluation system; the evaluation is based on relevant KPIs; "Become & Achieve" score of 1, automatically excludes the individual from the LTIP award.

[1]Rating to % of Business Plan targets achievement:
1:<50%, 2: ≥50%<80%, 3: ≥80%<90%, 4: ≥90%≤100%, 5>100%

At the beginning of each Business Plan period:

- Selected KPIs to be achieved for the Business Plan Period (interim per year, end of period), defining specific weights.
- Maximum amounts that may be distributed within the Business Plan period calculated using a bottom-up approach based on percentages of fixed annual salary and assuming all Business Plan targets have been met.
- Bonus allocation tables, which include different allocation percentages per level and per Business Plan score (1-5), are a fundamental component of this bottom-up sizing approach. The tables define each individual target bonus as a percentage of fixed annual salary and the actual award to be received based on the Group performance. The allocation percentages are defined in line with benchmarks and market practices, while ensuring a meaningful differentiation in payout between levels of responsibility and performance ratings.
- Definition of form of payment (e.g. stock options, shares etc.) and its main parameters.

Each year throughout the Business Plan period:

- **Gate conditions evaluation:** This phase entails assessing the feasibility of awarding the LTIP for the performance year. The LTIP will be distributed as long as there has been a satisfactory achievement of Business Plan's targets, adequate capital levels have been ensured and there are no regulatory constraints. The award will be distributed only to those individuals that have received a Become and Achieve score either "2" or "3".
- **Group performance assessment:** The Group's performance is assessed across core Business Plan KPIs. The BoD may update the selected KPIs only in exceptional circumstances. A rating to each KPI (from "1" to "5") compared to target is assigned. The average of these ratings define the overall Business Plan score. BoD's discretion can be applied on this rating (up to +/-1).
- **Actual bonus pool calculation:** In this step, the actual amount to be awarded for the year is calculated bottom-up from individual's amount derived as a multiplication of an allocation percentage based on Business Plan's score and the percentage of her/his fixed annual salary. Subsequently, the corresponding number of instruments are calculated using the plan parameters at the time of award.
- **Top-down bonus pool validation:** This step involves the validation of the Group's bonus pool as percentage of Group Net Profit. Remedial adjustments to the bonus pool may be applied by the BoD, if necessary.

After the end of the Business Plan period:

- Final evaluation of the total 3-year performance and final award calculations: Application of corrections to previously awarded amounts due to be vested after the completion of the Business Plan Period if required (malus). Malus or clawback arrangements will apply as described in this document and the Group Remuneration Policy.

Specific Circumstances

- **Beneficiary under investigation for fraud:** Beneficiary, who is under investigation by IA/Ethics Committee for fraud cases, will be excluded from the scheme until the investigation is completed. In case the report on the investigation does not conclude in favor of the Beneficiary, she/he will not be eligible for the specific Business Plan period of the scheme. Otherwise, she/he will immediately participate, receiving retroactively the related part of the amount would have been awarded.
- **Resignation or termination for cause:** Upon resignation or termination for cause of the Beneficiary's employment / contract to the Group, all amounts that have not been vested until the date of resignation or termination for cause of the Beneficiary's contract are automatically cancelled.
- **Consensual Termination:** In case of consensual termination of the Beneficiary's employment / contract in the context of reorganization or corporate transformation etc., the vesting of the awarded amounts until the termination date is subject to examination on a case-by-case basis. In any case no accelerated vesting can be applied.
- **Retirement, Disability or Death:** If the Beneficiary's employment / contract terminates due to retirement, disability (long illness or permanent incapacity) or death, the awarded amounts (up to the termination date) of the Beneficiary or their heirs (in case of death) shall vest on schedule at the end of 3-year Business Plan period and subject to the malus / clawback provisions.

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