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# Piraeus Financial Holdings S.A.

## Remuneration Report

### for the Year 2021

PIRAEUS  
FINANCIAL HOLDINGS



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## Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

2021 was yet another highly demanding year with a rather versatile and complex agenda clustered around the Human Resources area. Therefore, in the context of our annual Remuneration Report, I am pleased to present comprehensively but not exhaustively the key topics, which were successfully completed.

Starting from the far most critical topic of FTE reduction by approximately 1,100 employees in 2021, the majority of FTE releases, around 900 employees, was achieved through a careful coordination of a two wave Voluntary Exit Scheme (VES) implementation (July & November) and the successful completion of two hive down restructuring projects.

Aiming to the other extent, around rewarding superior performance and talent retention, the design and all preparatory work of the new variable remuneration schemes was efficiently completed. On the same forefront, the succession planning policy and the promotion policy were launched as well as a talent development program for Corporate & Investment Banking was implemented. In terms of leadership training, a high impact program was implemented under the title 'Feedback with Honesty', which all managers completed.

It is worth mentioning that the first year of our pension plan operation (Institution for Occupational Retirement Provision - IORP), and its launch in nine (9) subsidiaries of the Group was successfully completed. Additionally, the Group Remuneration Policy, including the Benefits Policy, as well as, the Directors Remuneration Policy were renewed and updated, incorporating the related changes of the regulatory framework.

In terms of corporate culture enhancement, an all employee survey (Organization Health Index) was implemented in May with a massive participation rate of 74% and an OHI score of 67%, with benchmark median at 62% for companies under transformation in Europe. Noteworthy, a holistic wellness program was launched, with monthly thematic initiatives, signaling the critical importance of wellbeing in strengthening moral, commitment and job satisfaction.

Lastly, it should be mentioned that this year too was overshadowed by the pandemic and Piraeus Group successfully addressed all challenges, including the justified people fatigue, by securing operational continuity at all times, meeting its business objectives and safeguarding the health of its employees and customers.

As the outgoing Chairman of the Remuneration Committee, I would like underline that Piraeus is experiencing an ongoing transformation path with highly aspiring financial targets ahead, and therefore, it is of vital importance to make sure that we have the right people on the bus. It is with these people that the Group will complete this journey and thrive to its new era. To this context, Group Human Resources alongside with the Senior Leadership have a heavy and demanding people agenda to implement ahead.

I would like to thank all stakeholders for the meaningful discussions and effective collaboration throughout these years. I wish you all the best of luck and especially to Andy whom I fully trust to continue and further excel the impactful dialogues and contribution of this Committee.

Best regards,



Arne S. Berggren

Chairman of the Remuneration Committee

# 1. General Information

## 1.1. Introduction

In 2021, the global economy was characterized by the effort to recover from the severe consequences of the Covid-19 pandemic. Severe supply chain problems led most economies to high inflation. Despite this challenging backdrop, in 2021, the Greek economy entered in a course of robust economic recovery and set the foundations for sustainable growth as of 2022. In the same context, the Greek banking system continued to recover, managing the negative effects from the outbreak of the pandemic in 2020. The confidence towards the Greek banking system by households and businesses remained strong, as evidenced by the increased deposits. Moreover, the measures taken by the European Central Bank (“ECB”), continued to improve the funding and liquidity status of the Greek banking system.

For Piraeus Financial Holdings Group (hereinafter “the Group”), 2021 was a year of complete turnaround, through the execution of its strategic business plan. During 2021, the Group, in order to address the remaining uncertainty over the path of the Covid-19 pandemic, developed a series of initiatives, targeting to assess and effectively manage the credit impact of the pandemic in the Group’s loan portfolio. In accordance with its strategic objectives and transformation priorities, the Group maintained solid capital position and enabled sustainable profitability for the short and medium term.

Following its successful corporate transformation (hive-down), on 30 December 2020, the former Piraeus Bank S.A. ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to “Piraeus Financial Holdings S.A.” (hereinafter “Piraeus Financial Holdings S.A.” or the “Company” or “PFH”). Piraeus Financial Holdings S.A. is a financial holdings company, directly supervised by the ECB. It holds 100% of the share capital of the newly-formed credit institution incorporated under the corporate name “Piraeus Bank Société Anonyme” (the “Bank”, which substituted the former Piraeus Bank Société Anonyme, by way of universal succession, to all the transferred assets and liabilities of the core banking operations of the former Piraeus Bank Société Anonyme) and is the direct or indirect holding company for all other companies that, prior to the hive-down, comprised the “Group”.

The Greek Law 4548/2018, which is effective as of 1 January 2019, incorporated, inter alia, the provisions of the Shareholders Rights Directive II (SRD II Directive) for the remuneration of the Board of Directors’ members (hereinafter “Directors”), Executives and Non-Executives. In compliance with the provisions of the aforementioned Law, as of the 2020 Annual General Meeting of Shareholders, all remuneration awarded to the Directors of Piraeus Financial Holdings (Executive and Non-Executive Board members) is disclosed in the annual Remuneration Report.

The Remuneration Report for the year 2021 provides a clear and comprehensive total remuneration overview in line with the article 112 of Law 4548/2018. Disclosure of individual Directors’ remuneration and the publication of the Remuneration Report are intended to provide increased corporate transparency and Directors’ accountability, increased oversight of shareholders on the implementation of the Remuneration Policy and practices, while at the same time demonstrating their coherence with the Group’s strategy and performance. The Company’s auditors examine if and to what extent the Remuneration Report provides the information required by article 112 of Law 4548/2018. The Board of Directors (hereinafter “BoD”) approved the present Remuneration Report for 2021.

Piraeus Group engages regularly with international investors and proxy advisors, constructively exchanging opinions on the Group’s remuneration policies and practices, listening to any possible concerns and addressing them, where required. Such dialogue enables the Company to receive valuable feedback on the remuneration approach, ensuring it takes into consideration best international and investors’ expectations.

During 2021, specific remuneration issues were examined and received a high percentage of votes in favour from:

- The Extraordinary General Meeting of April 2021, in which an 96.82% positive votes cast was received for the authorization to the Board to establish a five-year stock option plan in accordance with the provisions of article 113 par.4 of law 4548/2018 to executives and employees of the Company and its affiliated companies.
- The Annual General Meeting of June 2021, in which an 98,07% positive advisory votes cast was received for the 2020 Remuneration Report, as well as an 99.97% positive votes cast was received for the approvals of the Directors' Remuneration Policy's amendment and the Severance Policy, which is applicable to the Executive Directors and the Senior Management.

The BoD dedicates significant time and effort to closely monitor the Group's progress and provide timely feedback and guidance; this is evidenced, inter alia, by the content of the minutes of the twenty-five (25) meetings held in 2021 (scheduled and extraordinary). Specifically, the Audit Committee convened sixteen (16) times, the Risk Committee eleven (11) times, and the Nomination Committee seven (7) times. The Remuneration Committee's meetings and activities are described in section 1.2.1.

Information on the current composition of the BoD and short CVs of its members are available on the Piraeus Financial Holding's website ([Board of Directors Composition | Piraeus Financial Holdings](#)).

## 1.2. Remuneration Governance

### 1.2.1 Remuneration Committee

The role of the Remuneration Committee (hereinafter "RemCo") is to assist the BoD in remuneration policies, practices and plans. According to its Terms of Reference, the Remuneration Committee is appointed by the Board of Directors of the Company and consists of at least three (3) members of the Board of Directors. The total number of its members should not exceed 40% of the BoD Members, including the HFSF Representative, who participates with full voting rights. The majority of the members are independent as per the definition of article 9 of L. 4706/2020, currently in force. The Chairman of the Committee is an Independent Non-Executive member, also meeting the criteria of article 10 par. 8 of Greek Law 3864/2010, as currently in force.

The Committee, as a body, has knowledge, expertise and professional experience in remuneration related issues, risk management and control activities. At least one (1) member of the Committee should also be a member of the Risk Committee to oversee alignment of the Remuneration Policy with the Group's Risk and Capital Strategy.

The mission of the Remuneration Committee, in alignment with the Group's strategic goal, is to design, monitor the implementation and periodically review the Group's Remuneration Policy, in accordance with the applicable legislative and regulatory framework, as currently in force. In the execution of its duties, the Remuneration Committee takes into account the Risk Appetite Framework of the Group, the long-term interests of shareholders, investors and other stakeholders. Within the scope of the Remuneration Committee, the following activities are included: a) the monitoring of the implementation of a framework that objectively evaluates performance and is directly linked to the determination of the remuneration of employees, b) the overview of the Group's talent management and succession planning policies as well as c) the implementation of strategies aiming at building a corporate culture that will support the Company's objectives and vision.

The Remuneration Committee regularly reviews shareholder and other stakeholder feedback when reaching its decisions, explicitly including any previous vote results on remuneration related proposals to the General Meeting of Shareholders.

On 31 December 2021 and as the date of the present Report, RemCo's composition was as follows:

| Table 1: Piraeus Financial Holdings Remuneration Committee's Composition |   |
|--|---|
| Name   | Capacity  |
| Arne S. Berggren   | Chairman, Independent Non-Executive BoD Member<br>Year of birth: 1958<br>Nationality: Swedish<br>BoD Member since: June 2016                              |
| Andrew D. Panzures   | Vice - Chairman, Independent Non-Executive BoD Member<br>Year of birth: 1958<br>Nationality: British, Canadian, American<br>BoD Member since: June 2020   |
| Enrico Tommaso C. Cucchiani  | Member, Independent Non-Executive BoD Member<br>Year of birth: 1950<br>Nationality: Italian<br>BoD Member since: November 2016                            |
| Solomon A. Berahas   | Member, Independent Non-Executive BoD Member<br>Year of birth: 1953<br>Nationality: Greek<br>BoD Member since: November 2016                              |
| Alexander Z. Blades  | Member, Independent Non-Executive BoD Member<br>Year of birth: 1970<br>Nationality: New Zealand<br>BoD Member since: January 2016                         |
| Periklis N. Dontas   | Member, Non-Executive BoD Member, HFSF Representative under Law 3864/2010<br>Year of birth: 1957<br>Nationality: Greek<br>BoD Member since: December 2019 |
| <div>67% Independent Non-Executive</div> <div>33% Non- Executive</div>   |   |

During 2021, the following changes were made to the composition of the Committee: On 24th June 2021 Mr. A. Panzures was appointed Vice - Chairman, Ms. V. Kontogouris and Ms. A. Weatherston ceased to be members of the Committee and Mr. A. Blades was elected member of the Committee.

#### Remuneration Committee activities during 2021

- Provided a statement that the Company's Remuneration Policy is compliant with the provisions of the applicable legislative and regulatory framework in force.
- Recommended to the BoD the submission of the proposal to the Extraordinary General Meeting held on 7 April 2021 to grant authorization to the BoD to establish a stock option plan in accordance with the provisions of article 113 par.4 of law 4548/2018 to executives and employees of the Company and its affiliated companies.
- Reviewed and recommended for approval to the BoD the identification process for categories of staff who have a material impact on the risk profile (Material Risk Takers hereinafter "MRTs") and the relevant list.
- Reviewed and approved the annual remuneration reporting disclosures to the supervisory authorities.
- Assessed the compliance of the proposed incentive schemes to current legislation and guidelines.
- Reviewed and submitted to the BoD for approval the Remuneration Report for 2020.

- Recommended to the BoD the amendments in the Company's Directors' Remuneration Policy, which were subsequently approved by the 2021 Annual General Meeting of Shareholders.
- Prepared the BoD's proposal to the Annual General Meeting of Shareholders in relation to the annual remuneration of the members of the BoD (approval of the remuneration paid for the financial year 2021 and approval of advance payment of remuneration of Board members for the financial year 2022 in accordance with article 109 of law 4548/2018).
- Recommended to the BoD for its approval the annual variable incentive schemes, to address the alignment of the employees' performance with the achievement of Group's strategic targets.
- Reviewed specific amendments in the Group's and Directors' Remuneration Policy, following the recent changes in the regulatory framework (CRD V as transposed into Greek law by Greek Law 4799/2021, new EBA Guidelines on sound remuneration policies), and submitted a respective recommendation to the BoD for its approval.

The Remuneration Committee held six (6) meetings during 2021. Information on the responsibilities and the operation of the Remuneration Committee is available on the Piraeus Financial Holdings website ([Board of Directors & Committees | Piraeus Financial Holdings](#)).

### 1.2.2 Group Remuneration Policy

The ability of the Group to implement a comprehensive human capital strategy to attract, retain, reward, and motivate highly skilled individuals is important for its continued success. The Group Remuneration Policy, which applies to all employees of the Company and its subsidiaries (including Piraeus Bank and its subsidiaries) without prejudice to the provisions laid down to art.102 of Law 4261/2014 (art.109 of CRD), is consistent with the corporate strategy, with the aim to align the Group's objectives with those of its stakeholders – employees, management, and shareholders.

The Group monitors, reviews, and updates the remuneration procedures and structures on an ongoing basis and whenever there is a material change, so that they are continuously aligned with the evolving business objectives and the regulatory framework. At the same time, remuneration practices and related salary levels seek to discourage the undertaking of excessive risk, potential conflicts of interest, or the violation of laws and regulations.

The Group Remuneration Policy aims to:

- Attract, retain, and motivate high-caliber employees who achieve the expected results by embracing our corporate values and culture.
- Support a performance-driven culture that is based on excellence and on creating sustainable growth, taking into account Climate & ESG aspects.
- Embrace equal pay policy for male and female employees for equal work or work of equal value supporting a culture of fairness.
- Align remuneration with profitability, capital adequacy, and liquidity while reflecting risk appetite.
- Promote a culture of compliance and effective risk controls.
- Enhance internal and external transparency.

The key principles of the Remuneration Policy reflect the most recent regulations in terms of remuneration and incentive practices and are aligned with the Group's long-term strategies. Towards this direction, the Group is taking initiatives among others to ensure that its remuneration policy and practices stimulate behavior consistent with the Group's climate-related and environmental (risk) approach, as well as with voluntarily commitments made by Piraeus. These are linked with the Group's overall agenda for adding value to all stakeholders, establishing a risk-adjusted culture aiming to increase efficiency and simplification, being compliant with internal policies and controls, and consequently discouraging excessive risk taking and avoid conflicts of interest.

### 1.2.3 Directors' Remuneration Policy

Whilst being consistent with the wider human capital strategy of the Group and the principles of the Group Remuneration Policy, the Directors' Remuneration Policy applies to the members of the BoD (Executives and Non-Executives) as per the requirements of Articles 110-111 of Law 4548/2018.

#### Contribution to business strategy, long-term interests and value creation

Given the current restrictions, the Director's Remuneration Policy contributes to the Group's business strategy and long-term interests by:

- Not relying on risk taking, thus encouraging Executive Directors to focus on sustained long-term value creation incorporating ESG risk-related objectives.
- Offering competitive and fair levels of remuneration and benefits to Directors that incentivize their dedication to the Group, the achievement of long-term goals and the creation of long-term value.
- 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-related policies key considerations when determining remuneration.

The Directors' Remuneration Policy was initially approved by the Annual General Meeting of Shareholders of Piraeus Bank on 28 June 2019 and, subject to any subsequent amendments, its validity may be maintained for up to four (4) years thereof unless there is a material change. In this case, the Policy is submitted to the General Meeting of Shareholders for approval.

The Directors' 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.

During 2021, the Company had not deviated from its Remuneration Policy.

#### 2021 Review and Amendments

In June 2021, the Annual General Meeting of Shareholders approved the amendments of the Company's Directors' Remuneration Policy. These amendments referred to:

- The replacement throughout the document of the references to the previous corporate name of the Company (Piraeus Bank S.A.) and of the term "Bank" following the completion of the demerger of the Company by way of hive-down of its banking activity and the amendment of its name to "Piraeus Financial Holdings S.A".
- The addition of a reference to the newly established Institution of Occupational Retirement Provision (hereinafter "IORP"), a non-profit private legal entity, through which the Group introduced a Defined Contribution Pension Plan.
- The addition of a specific reference related to the adoption of the Severance Policy (described in section 1.2.4), which is part of the Remuneration Policy.

In November 2021, following the recent changes in the regulatory framework (CRD V as transposed into Greek Law by Law 4799/2021, new EBA guidelines on sound remuneration policies), the Remuneration Committee recommended to the BoD for its approval specific amendments in both the Group's and the Directors' Remuneration Policy.



These amendments mainly refer to:

- Special requirements on variable remuneration of MRTs.
- introduction of provisions for gender-neutral remuneration policy and equal pay for male and female employees.
- Introduction of references on effective risk adjusted performance metrics in variable remuneration.
- Climate & ESG considerations in the remuneration policy components.
- Addition of the Annual Variable Incentive Schemes' structure.

In accordance with the Remuneration Policy's governance process and the provisions of Law 4548/2018, the aforementioned amendments of the Directors' Remuneration Policy will be submitted to the 2022 Annual General Meeting of Shareholders for approval.

The current Directors' Remuneration Policy is available on the Piraeus Financial Holdings' website ([Board of Directors Composition | Piraeus Financial Holdings](#)).

#### 1.2.4 Severance Policy

The 2021 Annual General Meeting of Shareholders approved a separate Severance Policy applicable to the Senior Management (defined as those with level of responsibility of General Manager & above) including the Executive Directors. The main objective of a severance payment is to provide eligible executives with a safety net necessary to act responsibly on behalf of the Group, or in case of a new hire, to empower the decision of high caliber executives from market to join. In parallel, it supports the loss of income and ensures a smooth exit process with all of the Group's legal bases covered. The Severance Policy was designed to:

- Enhance the robust governance structure with clear and transparent processes.
- Allow for a smooth transition and succession at Top Management level.
- Be aligned with relevant market practices in the Greek systemic banking sector that provide for severance payments to senior executives.

Executives are entitled to severance payments related to the early termination of an employment contract in good terms. The criteria, which are taken into consideration in order to determine the award of severance payment in alignment with the specific legal and contractual framework, are: a) the executive's tenure in the Group, b) the performance achieved over time as evidenced and documented by the internal Performance Appraisal mechanism, c) the executive's behaviors and attitudes' alignment with Group's internal policies and rules, as well as d) the proximity to retirement age. These payments can range between 12 and up to 24 monthly gross salaries, with an upfront component, which may not exceed 60% of the total amount, to be payable at the expiration of a 6-month non-compete clause. There is no additional payment for the non-compete arrangement. The rest of the amount (40%) shall be deferred in annual installments of an equal amount within a period of five (5) years as defined by the existing legislative and regulatory framework, following the Executive's termination date. Severance payments shall be subject to malus or clawback arrangements up to 100%.





The Severance Policy, as part of the Group's remuneration policies / practices, is subject to an independent review by the control functions, including risk, internal audit and compliance, the feedback of which is incorporated in the Policy. The control functions will be also reviewing any future amendments to this Policy. In addition, compliance, examines how the Policy affects the Company's compliance with the regulatory framework, the legislation and the internal procedures in force.

In accordance with the current legal and regulatory framework, the Policy shall be effective for a period of up to four (4) years. Should material changes occur, the Policy shall be reviewed and submitted to the competent bodies for approval.

## 2. Piraeus Financial Holdings Group Key Developments

The Group has a systemic position in the Greek banking market in terms of total assets, which amount to € 79.8 billion as at 31 December 2021. The Group holds a wide customer base of 5.7 million active customers, an increase by 221 thousand in 2021.

2021 was a year of great importance for the Group as it fully unfolded its derisking strategy, building on the significant progress made during 2020. The most important events, which are linked with the information provided in this Report, were the following:

-  On 16 March 2021 the Board of Directors of Piraeus Financial Holdings approved a holistic strategic plan to accelerate its NPE reduction effort and to further enhance the Group's capital position through a combination of certain concerted actions (the Sunrise Plan). The Sunrise Plan comprises three conjunct pillars:
  1. The acceleration of NPE reduction to reach a single-digit NPE ratio in 2022, through the securitization and subsequent de-recognition of NPEs with an estimated decrease of the gross book value of up to € 19 billion. Based on this accelerated plan, the Group proceeded in 2021 with the execution of the Phoenix, Vega, Sunrise I & Sunrise II non-performing loan securitization transactions and other direct NPE portfolio sales, with a total gross book value of approximately € 17.2 billion.
  2. A series of capital enhancing actions, with cumulative benefit of approximately € 3 billion
    - A share capital increase of Piraeus Financial Holdings via a non-pre-emptive fully marketed offering of € 1.4 bn completed in April 2021.
    - Additional Tier 1 issuance of up to € 0.6 bn by Piraeus Financial Holdings completed in June 2021.
    - As detailed above, certain other non-dilutive capital accretive actions, including: (i) profit realization from securities portfolio already completed in Q1.2021; (ii) the carve-out and sale of Piraeus Bank's cards merchant acquiring platform; and (iii) the purchase of credit protection for select on-balance sheet performing loan portfolios (synthetic securitization).
  3. An operational streamlining plan of Piraeus Bank to enhance pre-provision income by a combination of top-line strengthening and a reduction in operating costs through efficiency improvements and digitization.
-  Moreover, the Extraordinary Meeting of Shareholders dated 7 April 2021 granted authorization to the Board of Directors of the Company to establish a five (5) year stock option plan to executives and employees of the Company and its affiliated companies, in the form of stock option rights (stock options), by increasing the share capital with the issuance of new shares and to determine, without prejudice to the provisions of the Law 3864/2010, the terms of the stock options, at its discretion.
-  Following the successful implementation of the 2020 Voluntary Exit Scheme ("VES"), the Group initiated in 2021 new VES for targeted groups of employees, in accordance with its strategic objectives and transformation priorities. The decrease of the number of employees in 2021 is mainly due to the VES launched in both 2020 and 2021, based on which 899 employees exited during the year 2021. The provision utilized for VES within the period ended 31 December 2021 amounted to € 72 million.
-  A Succession Planning Policy was developed in 2021 for all the positions that are characterized as business critical in order to ensure business continuity, as well as the retention and the systematic development of the identified potential successors. At the same time, the potential successors for the position of Chief Executive Officer (CEO) and all BoD members were identified - in collaboration with an external expert - as well as the executives with a direct reporting line to the CEO and their development actions were planned based on the Succession Development Plan. In the context of the implementation

of the Policy, the identification of critical positions for the whole organization began in 2021 aiming at gradually implementing the policy to the whole organization for the business critical positions.

- ✓ Ensuring transparency, meritocracy and objectivity in selecting the right candidates for the available jobs as well as utilizing the right executives for positions of responsibility and critical roles, two new policies were approved by the Executive Committee in December 2021, specifically:

- The Staffing Policy aiming to cover the available jobs or new job roles, as a matter of priority from the existing staff of the Company and the Group's subsidiaries.
- The Promotion Policy contributing to the growth and development of employees and to succession planning ensuring business continuity in the organization.

## 2.1. Health, Safety (H&S) & Wellbeing

Employees' health and safety ("H&S") has always been a top priority. Actions to safeguard day-to-day business Piraeus considers various steps to prepare for and adapt to a post-COVID-19 reality and strengthen its long-term competitiveness. Especially in the last two years, with the outburst of Covid-19, the Group is totally oriented to the protection of employees' health, safety and wellbeing, contributed actively to the prevention of the spread of Covid-19, aiming to protect the health of all its stakeholders.

The following initiatives were designed and implemented in terms of H&S:

- ✓ Close cooperation with authorities and implementation of all measures recommended for prevention and protection of its employees, as well as additional measures when this was feasible.
- ✓ 24-hour medical guidance and support, through phone, to all employees in collaboration with the National Public Health Organization (EODY) and in cooperation with 11 health professionals.
- ✓ During the period of restrictions, about 86% of employees worked from home to comply with the health and safety protocol and the business continuity plan.
- ✓ Aiming to actively contribute to the state's vaccination campaign, the Group offered 7,002 special leave days for vaccination in 4,635 employees.
- ✓ Special Covid-19 Leave for 101 employees with serious health issues.
- ✓ In order to support parenting role, 203 cumulative maternity leaves were given.
- ✓ 24/7 Psychological Support Line for the employees and their families.
- ✓ Special leave granted to 1,897 employees with children according to the provisions of the Greek authorities.
- ✓ To comply with the hygiene protocol, cleaning schedule in premises was increased to 2,420 hours throughout the year and 277 emergency disinfections were carried out.
- ✓ With the aim of protecting personal and family health, the insurance program is distinguished for its modernized benefits, as well as for the coverage that meets extraordinary and important needs. In this direction, with the renewal of the contract, a broad category of diseases, known as 'congenital diseases', was included in the coverage, through the hospital category.
- ✓ Furthermore, the inclusion of supplementary health care (group medical coverage) in the IORP was completed in Q2 2022.

### 2.2.1 Wellbeing

The Group aims to promote wellbeing with high standards. That is why a program («Ef zin») dedicated to health and wellness has been adopted, through three dimensions: the body, the mind and our links with society and the environment. Employees and their families have the opportunity to participate in activities such as volunteering, fitness programs, inspirational talks, workshops and interactive sessions. A total of 36 actions were carried out in which more than 7,600 employees expressed interest to participate.

An important dimension of «Ef zin» is the contribution to society and environment through volunteering initiatives. In this context, the voluntary program 'Walk for a good cause' (#PerpatameGiaKalo) was held twice, aiming to support the mission of selected non-governmental organizations through donations from the Bank.

### 2.2. Ethical Workplace

The Group ensures that business ethics define all its activities and its employees are fully aligned with its values and principles.

In this context, the Code of Conduct and Ethics (the «Code») is provided to new employees upon hiring, while it applies to all Group employees and focuses on the principles of responsibility, meritocracy and transparency, while encouraging actions and behaviors that enhance an ethics culture. The Code is in line with the Banking Code of Conduct (issued by the Hellenic Banking Association) and the Group's Compliance Policy. The Code is available internally and in the Group's corporate site. It is revised periodically based on the Group's strategic priorities and corporate needs.

In order to safeguard compliance with the Code of Conduct and Ethics directions, the Whistleblowing policy is applied. According to the relevant policy's implementation process, incidents of irregularities, omissions, corruption and any kind of inappropriate/unethical behavior and/or harassment detected in the working environment, are reported using the relevant communication channels. A basic and firm principle of the procedure is the protection of the anonymity and the principle of confidentiality of the employees' data who submit or are included in the reports. At the same time, the organization opposes retaliation against any employee who reports or participates in the investigation of an existing or suspected violation of the Code of Ethics.

Additionally, initiatives of conduct and ethics culture are included in «Risk Culture» program. The initiatives are planned and implemented by the Group Human Resources in collaboration with the Group Risk Management. The aim is to create risk awareness and strengthen risk management culture, reinforcing the desired behaviors and practices. In this context, three (3) digital newsletters were created and communicated in 2021, highlighting the importance of cybersecurity, the value of Whistleblowing and the risks of climate change. In addition, two animated videos presented the three lines of defense, in a simple and understandable way, as well as the dangers associated with cyber security and the ways employees can protect themselves respectively. A Credit Pulse Survey was conducted by an external partner. A targeted questionnaire was delivered to the staff directly involved with the credit underwriting process in order to understand the level of credit risk awareness and measure a possible gap across the first line of defense.

Moreover, in an effort to comply with the new labor law and seeking to further strengthen the culture of respect and safeguard of human rights, the Group's Human Rights Policy is currently under revision in order to be enriched with the principles governing the management and protection of violence and harassment in the workplace.

### 2.3. Gender Equality & Sustainable Banking

The Company and its Group already work in a methodical way by engaging to foster diversity and inclusion through, inter alia, increasing female representation in governance bodies (in 2021 55% of promotions were covered by women, leading to a stake of 31% female representation in top management positions and 49% in management positions), safeguarding pay equity and integrating KPIs to track performance in supporting gender equality through policy development, representation and transparency. Piraeus Bank 2021-2024 ESG Strategy action plan includes establishing an integrated policy to promote gender equality and women's empowerment in the workplace, marketplace and society. Taking a further step in this direction, the Bank became signatory in April 2021 of the UN Women's Empowerment Principles, thus reflecting its commitment to contribute to the creation of an environment in which women live and work in a safe and equitable society, which treats them with dignity, respect and fairness.

Due to certain restrictions and difficulties in identifying, attracting and nominating women for Board positions, gender diversity to the Board of Directors does not currently fulfill the Company's aspirations, however the Company commits to make effort to gradually increase the under-represented gender (women) in the BoD, by the end of the year 2023.

On 28 January 2022, the Company announced that it is one of 418 companies across 45 countries and regions to join the 2022 Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting. This reference index measures gender equality across five pillars: female leadership & talent pipeline, equal pay & gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.

Piraeus Bank was the only Greek financial institution that participated in the development of the United Nations Principles for Responsible Banking in 2019, as part of a group of banks from around the world. The Principles aim to align banks' activities with the 17 United Nations' sustainable development goals and the Paris Climate Agreement. The CEO has the overall supervision for their implementation, through the Corporate Responsibility Committee, which he chairs.

In this context, the Group implemented a series of actions for the integration of the Principles in its internal operations and business decisions. Piraeus Bank developed an ESG strategy and published its Sustainable Development Policy, in which the six Principles are embedded, established an internal governance system for sustainable development and formulated targeted action plans for the development of products and services. Additionally the Bank participates in various UNEP FI working groups for measurement tools and evaluation criteria for ESG actions to be established, such as the portfolio impact assessment working group and the group working on the EU Taxonomy in collaboration with the European Banking Federation.

In 2021, the Bank published its second progress report on its implementation of the Principles of Responsible Banking ([Principles for Responsible Banking](#)). The CEO is one of the 19 leaders of banks and insurance companies from around the world who participate in the UNEP FI "Leadership Council", an international advisory body created in 2021, aiming to shape the strategy of the financial sector so that the goals of sustainable development are met. The Group has signed the UN Declaration "United in the Business of a Better World", for responsible and transparent global business partnerships and the Women Empowerment Principles of the UN Global Compact and UN Women. Piraeus Bank is the first bank in Greece to sign these Principles and is committed to strengthening and promoting gender equality in the workplace. In December 2021, the Group signed the UNEP FI Commitment for Financial Health and Inclusion.

Along with Group's financial performance aspirations, PFH systematically moves forward in the direction of sustainable banking and creates the infrastructure, policies and strategies that incorporate ESG criteria, in its operations. This strategy will enable to maximize the Company's contribution to the achievement of the Paris Climate Agreement's targets and the United Nations' sustainable development goals.

### 3. Total Remuneration of Directors

The Remuneration paid to Directors in 2021 includes the following components, as those are further described in the Directors' Remuneration Policy:

#### Non-Executive Directors of the Board (NEDs)

NEDs, including the Chairman, receive annual Board fees and additional fees for membership and chairmanship of a Board Committee as depicted in Table 2. below.

| Table 2: Current NEDs Fee Structure  |             |
|--|-------------|
| Capacity   | Fees (in €) |
| Chairman of the BoD fee  | 253,800     |
| Non-Executive Director base fee  | 36,000      |
| Vice Chairman of the BoD fee   | 72,000      |
| Chairman fee of Audit Committee or Risk Committee  | 84,000      |
| Member fee of Audit Committee or Risk Committee  | 24,000      |
| Chairman fee of Remuneration Committee or Nomination Committee or Strategy Committee   | 64,000      |
| Member fee of Remuneration Committee or Nomination Committee or Strategy Committee   | 12,000      |
| <b>Main Principles</b> <ol style="list-style-type: none"> <li>1. The Chairman of the BoD does not receive the Non-Executive Director base fee, or any other additional fees.</li> <li>2. Chairmen of Committees do not receive the committee member fee.</li> <li>3. For Chairmen of Committees relevant caps apply to their total fees: <ul style="list-style-type: none"> <li>- € 160,000 for the Chairmen of Audit Committee or Risk Committee.</li> <li>- € 120,000 for the Chairmen of Remuneration Committee or Nomination Committee or Strategy Committee.</li> </ul> </li> <li>4. There is no differentiation between the fees paid to members and those paid to the Vice Chairmen of Committees. There is provision for specific fees only for the Vice Chairman of the BoD.</li> <li>5. NEDs do not receive additional fees for attendance to the BoD and/or its Committees.</li> <li>6. Fees are paid proportionally for as long as each member holds the corresponding position.</li> <li>7. Members do not receive fees for their participation in the Board Ethics &amp; ESG Committee.</li> <li>8. Strategy Committee applies only to Piraeus Bank BoD's Committees.</li> </ol> |             |

Fees are paid in cash and are subject to periodic review. In the interest of maintaining an internationally diverse Board but also due to respective legislative requirements, the Company needs to source Non-Executive Directors from international markets. It has effectively achieved to do so, despite imposed caps, managing to attract high-caliber individuals with the appropriate level of skills and expertise, as well as motivate them to demonstrate their commitment and invest time to the Board.

The annual remuneration of the Non-Executive Directors for 2021 followed the pre-approval of the Annual General Meeting of Shareholders held on 22 June 2021. Non-Executive Directors were paid by Piraeus Bank.

According to the Directors' Remuneration Policy, NEDs do not receive any variable pay.

In Table 3. fees, which were paid to NEDs for the financial year 2021, are presented broken down per Committee.

Table 3. Distribution of NEDs Fees per Committee for 2021

| Name                          | Capacity   | Base Fees<br>in (€) <sup>1</sup> | Audit Committee<br>in (€) <sup>1</sup> | Risk Committee<br>in (€) <sup>1</sup> | Remuneration Committee<br>in (€) <sup>1</sup> | Nomination Committee<br>in (€) <sup>1</sup> | Strategy Committee<br>in (€) <sup>1</sup> | Chairman / Vice Chairman<br>of BoD in (€) <sup>1</sup> | Total Annual Fees<br>for 2021 <sup>1,3</sup><br>in (€) |
|-------------------------------|--|----------------------------------|--|---------------------------------------|---|---|---|--|--|
| George Handjinicolaou         | Chairman of BoD  | -                                | -                                      | -                                     | -   | -   | -   | 253,800.00   | 253,800.00   |
| Karel De Boeck <sup>2</sup>   | Vice Chairman of BoD & Chairman of Risk Committee                      | 36,000.00                        | 15,500.00                              | 54,250.00                             | -   | -   | 7,750.00                                  | 46,500.00  | 160,000.00   |
| David Hexter                  | Chairman of Nomination Committee & Vice Chairman of Strategy Committee | 36,000.00                        | 57,304.33                              | 11,655.12                             | -   | 31,080.31                                   | 12,000.00                                 | -  | 148,039.76   |
| Arne Berggren <sup>2</sup>    | Chairman of Remuneration Committee                                     | 36,000.00                        | -                                      | -                                     | 47,157.90                                     | 28,000.00                                   | 8,842.11                                  | -  | 120,000.00   |
| Enrico Tommaso Cucchiani      | Chairman of Strategy Committee & Vice Chairman of Nomination Committee | 36,000.00                        | -                                      | -                                     | 12,000.00                                     | 12,000.00                                   | 39,011.09                                 | -  | 99,011.09  |
| Venetia Kontogouris           | BoD Member   | 36,000.00                        | -                                      | -                                     | 5,766.67                                      | 12,000.00                                   | 12,000.00                                 | -  | 65,766.67  |
| Solomon Berahas               | Vice Chairman of Risk Committee  | 36,000.00                        | 24,000.00                              | 24,000.00                             | 12,000.00                                     | -   | -   | -  | 96,000.00  |
| Andrew Panzures               | Vice Chairman of Audit & Remuneration Committee                        | 36,000.00                        | 24,000.00                              | 24,000.00                             | 6,077.78                                      | 6,077.77                                    | 6,077.78                                  | -  | 102,233.33   |
| Anne Weatherston              | Chairman of Audit Committee  | 36,000.00                        | 50,395.88                              | 12,341.85                             | 6,170.92                                      | -   | 6,170.92                                  | -  | 111,079.57   |
| Blades Alexander <sup>4</sup> | BoD Member   | 0.00                             | -                                      | 0.00                                  | 0.00  | 0.00  | 0.00                                      | -  | 0.00   |
| Periklis Dontas               | HFSF BoD Representative  | 36,000.00                        | 24,000.00                              | 24,000.00                             | 12,000.00                                     | 12,000.00                                   | 12,000.00                                 | -  | 120,000.00   |
|                               |  |                                  |  |                                       |   |   |   |  | 1,275,930.42   |

**Footnotes**

1. The amounts are presented on a gross basis.

2. For the fees of Mr. K. De Boeck Karel and Mr. A. Berggren for the year 2021, the allocation of fees per Committee was adjusted proportionally based on the relevant caps.

3. The changes below that occurred in the composition of the BoD Committees during 2021 were taken into account for the calculation of the fees.

On 24.06.2021:

Mr. D. Hexter was appointed Chairman of the Nomination Committee and ceased to be a member of the Risk Committee.

Mr. E. Cucchiani was appointed Vice Chairman of the Nomination Committee. He ceased to be member and was elected Chairman of the Strategy Committee.

Mr. S. Berahas was elected Vice Chairman of the Risk Committee.

Ms. A. Weatherston was elected member of the Risk Committee, member of the Strategy Committee and she ceased to be member of the Remuneration Committee.

Mr. A. Panzures was appointed Vice Chairman of the Remuneration Committee, elected member of the Strategy Committee and he ceased to be member of the Nomination Committee.

Ms. V. Kontogouris ceased to be member of the Remuneration Committee.

Mr. A. Blades was elected member of the Remuneration Committee.

Mr. A. Berggren was elected member of the Nomination Committee and ceased to be Chairman of the Nomination Committee.

On 22.07.2021:

Ms. A. Weatherston was elected Chairwoman of the Audit Committee.

Mr. A. Panzures was elected Vice Chairman of the Audit Committee.

Mr. D. Hexter was elected member of the Audit Committee and ceased to be Chairman of the Audit Committee.

4. Mr. A. Blades, upon his request, relinquished the right to receive any remuneration for the year 2021.



## Executive Directors of the Board

### Fixed Remuneration

Executive Directors received a fixed monthly salary, payable in cash. The Group has developed a fixed remuneration framework, which defines the salary structure and ranges, in order to attract and retain talented individuals by reference to:

- Their relative seniority, as established by job evaluation
- Benchmarking of the required skillset, based on market rate survey results

The Group offers fair rates of pay and **benefits** to Executive Directors (including insurance programs), in line with relevant market practice and existing caps dictated by regulation. These included medical care, life insurance, child savings plans, use of company car.

In order to harmonize **pension** related benefits, the IORP was established through which the Group introduced in 2020 a Defined Contribution Pension Plan that covers all employees. Employee's participation, as those of the Executive Directors, in the IORP is voluntary and their contribution is optional: it can range from zero up to 20% of their gross monthly salary. Employee's contributions may be modified during employment tenure, depending on the capital that each employee chooses to create for his/her future, always within the maximum ceiling of 20% of the gross monthly salary. The Group as an employer contributes to the employee's individual account a flat 2% of the monthly gross salary paid 14 times annually, as from the date of registration in the IORP. There is no obligation on the part of the employee to contribute to the pension plan. The IORP is governed by its Board of Directors and operates under the supervision of the regulatory authorities: the Department of Occupational Insurance at the Ministry of Labor and Social Affairs, the National Actuarial Authority and the Hellenic Capital Market Commission.

### Variable Remuneration

As a matter of principle, variable remuneration is an important component of remuneration for Executive Directors as it enhances incentivisation to promote the Group towards the strategic direction endorsed by the Board and in alignment with shareholder value creation.

Given the legal restrictions on the granting of variable remuneration to BoD members for the period during which the Company is subject to the provisions of Law 3864/2010, no variable remuneration was paid to the Executive Directors in 2021.

In the context of the holistic review of remuneration strategy, and taking into account the momentum generated from the implementation of an ambitious transformation plan and the need to deliver the multiple and challenging business targets, it becomes extremely important for the Group to be aligned with market reality and reward the employees for their performance, motivate and engage them in the Group's vision for the future. Therefore, in October 2021 the BoD approved the introduction of a variable remuneration framework that adheres to a set of specific principles and is designed using clearly stated parameters, being also consistent with the most recent national and international regulatory requirements. In this effort, a highly reputed international consulting firm (Boston Consulting Group) was selected by the Management, in accordance with RemCo's recommendation, to contribute in the formulation of the annual variable incentive schemes that cover the entire employee base of the Group, with three key objectives:

- Link reward to measurable outcomes in order to cultivate results-driven culture, incentivize appropriate behaviors and boost staff productivity
- Energize staff and counter organizational fatigue, and



- Rally employees across levels behind the Group's strategy and incentivize them to deliver ambitious targets within the relevant risk limits.

The Group has designed specific annual variable remuneration schemes, which are addressed to all levels of responsibility of the Group, following specific structure and conditions that take into account quantitative and qualitative KPIs at Group, Unit/Pillar and Individual level.

Upon approval of the General Meeting of Shareholders, the Executive Directors may participate in the Senior Management Scheme, whose main design elements and constraints are described in detail in the Appendix section of the Directors' Remuneration Policy (to be submitted to the 2022 Annual General Meeting of Shareholders for approval). Non-Executive Directors are not eligible to participate in the aforementioned scheme. As per scheme's structure the maximum payout for the Executive Directors cannot exceed the 100% of the annual fixed remuneration. 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.

While Piraeus is subject to the provisions of law 3864/2010, variable remuneration to the Executive Directors may only be awarded according to the conditions and restrictions set out therein.

During 2021:

- No severance payments were made to Executive Directors.
- No stock option plan was adopted by the Group and therefore no share options were granted to Executive Directors.

In any case, during 2021, each Director's remuneration (Executive and Non-Executive) did not exceed the total remuneration of the Governor of the Bank of Greece.

All remuneration decisions and proposals made by RemCo in 2021 were in line with the Directors' Remuneration Policy, as such was approved by the 2021 Annual General Meeting of Shareholders.

The table below provides an analysis of the Directors' remuneration paid in 2021 by the Group, broken down by component, as required by the provisions of par.2a of Article 112 of Law 4548/2018.

Table 4: Total Remuneration of Directors

| Name                                | Position  | Capacity                                      | Year | Fixed Remuneration <sup>1</sup> |              |                             | Pension Benefits <sup>1,6</sup> | Variable Remuneration <sup>1,2</sup> | Total Remuneration <sup>1,3,4</sup> | Proportion Fixed / Variable Remuneration |
|-------------------------------------|---|---|------|---------------------------------|--------------|-----------------------------|---------------------------------|--------------------------------------|-------------------------------------|--|
|                                     |   |   |      | in (€)                          |              |                             | in (€)                          | in (€)                               | in (€)                              |  |
| Non-Executives                      |   |   |      | Base Salary                     | Fees         | Other Benefits <sup>5</sup> |                                 |                                      |                                     |  |
| George Handjinicolaou               | Chairman of BoD   | Non-Executive                                 | 2021 | -                               | 253,800.00   | 1,923.66                    | 5,076.00                        | 0.00                                 | 260,799.66                          | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 253,800.00   | 1,885.66                    | 10,152.00                       | 0.00                                 | 265,837.66                          | 100% / 0%                                |
| Karel De Boeck                      | Vice Chairman of BoD & Chairman of Risk Committee                               | Senior Independent Non-Executive <sup>7</sup> | 2021 | -                               | 160,000.00   | -                           | -                               | 0.00                                 | 160,000.00                          | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 160,000.00   | -                           | -                               | 0.00                                 | 160,000.00                          | 100% / 0%                                |
| David Hexter                        | Chairman of Nomination Committee & Vice Chairman of Strategy Committee          | Independent Non-Executive                     | 2021 | -                               | 148,039.76   | -                           | -                               | 0.00                                 | 148,039.76                          | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 156,000.00   | -                           | -                               | 0.00                                 | 156,000.00                          | 100% / 0%                                |
| Arne Berggren                       | Chairman of Remuneration Committee  | Independent Non-Executive                     | 2021 | -                               | 120,000.00   | -                           | -                               | 0.00                                 | 120,000.00                          | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 120,000.00   | -                           | -                               | 0.00                                 | 120,000.00                          | 100% / 0%                                |
| Enrico Tommaso Cucchiani            | Chairman of Strategy Committee & Vice Chairman of Nomination Committee          | Independent Non-Executive                     | 2021 | -                               | 99,011.09    | -                           | -                               | 0.00                                 | 99,011.09                           | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 72,000.00    | -                           | -                               | 0.00                                 | 72,000.00                           | 100% / 0%                                |
| Venetia Kontogouris                 | BoD Member  | Independent Non-Executive                     | 2021 | -                               | 65,766.67    | -                           | -                               | 0.00                                 | 65,766.67                           | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 65,290.32    | -                           | -                               | 0.00                                 | 65,290.32                           | 100% / 0%                                |
| Solomon Berahas                     | Vice Chairman of Risk Committee   | Independent Non-Executive                     | 2021 | -                               | 96,000.00    | -                           | -                               | 0.00                                 | 96,000.00                           | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 96,000.00    | -                           | -                               | 0.00                                 | 96,000.00                           | 100% / 0%                                |
| Andrew Panzures                     | BoD Member (since 26.06.2020) / Vice Chairman of Audit & Remuneration Committee | Independent Non-Executive                     | 2021 | -                               | 102,233.33   | -                           | -                               | 0.00                                 | 102,233.33                          | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 44,951.65    | -                           | -                               | 0.00                                 | 44,951.65                           | 100% / 0%                                |
| Anne Weatherston                    | BoD Member (since 26.06.2020) / Chairman of Audit Committee                     | Independent Non-Executive                     | 2021 | -                               | 111,079.57   | -                           | -                               | 0.00                                 | 111,079.57                          | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 34,371.01    | -                           | -                               | 0.00                                 | 34,371.01                           | 100% / 0%                                |
| Alexander Blades <sup>8</sup>       | BoD Member  | Non-Executive                                 | 2021 | -                               | 0.00         | -                           | -                               | 0.00                                 | 0.00                                | -  |
|                                     |   |   | 2020 | -                               | 0.00         | -                           | -                               | 0.00                                 | 0.00                                | -  |
| Periklis Dontas                     | HFSF BoD Representative   | Non-Executive                                 | 2021 | -                               | 120,000.00   | -                           | -                               | 0.00                                 | 120,000.00                          | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 120,000.00   | -                           | -                               | 0.00                                 | 120,000.00                          | 100% / 0%                                |
| Total Non-Executives                |   |   | 2021 | -                               | 1,275,930.42 | 1,923.66                    | 5,076.00                        | 0.00                                 | 1,282,930.08                        | 100% / 0%                                |
|                                     |   |   | 2020 | -                               | 1,122,412.98 | 1,885.66                    | 10,152.00                       | 0.00                                 | 1,134,450.64                        | 100% / 0%                                |
| Executives                          |   |   |      |                                 |              |                             |                                 |                                      |                                     |  |
| Christos Megalou <sup>9</sup>       | CEO   | Executive                                     | 2021 | 365,000.00                      | -            | 19,550.89                   | 7,299.96                        | 0.00                                 | 391,850.85                          | 100% / 0%                                |
|                                     |   |   | 2020 | 293,000.00                      | -            | 18,987.15                   | 11,720.00                       | 0.00                                 | 323,707.15                          | 100% / 0%                                |
| Vasileios Koutentakis <sup>10</sup> | BoD Member (since 28.05.2020)   | Executive                                     | 2021 | 275,000.02                      | -            | 16,414.08                   | 5,499.99                        | 0.00                                 | 296,914.09                          | 100% / 0%                                |
|                                     |   |   | 2020 | 185,801.50                      | -            | 8,375.81                    | 3,391.65                        | 0.00                                 | 197,568.96                          | 100% / 0%                                |
| Total Executives                    |   |   | 2021 | 640,000.02                      | -            | 35,964.97                   | 12,799.95                       | 0.00                                 | 688,764.94                          | 100% / 0%                                |
|                                     |   |   | 2020 | 478,801.50                      | -            | 27,362.96                   | 15,111.65                       | 0.00                                 | 521,276.11                          | 100% / 0%                                |
| Total Directors                     |   |   |      |                                 |              |                             |                                 |                                      |                                     |  |
| Total Directors                     |   |   | 2021 | 640,000.02                      | 1,275,930.42 | 37,888.63                   | 17,875.95                       | 0.00                                 | 1,971,695.02                        | 100% / 0%                                |
|                                     |   |   | 2020 | 478,801.50                      | 1,122,412.98 | 29,248.62                   | 25,263.65                       | 0.00                                 | 1,655,726.75                        | 100% / 0%                                |

## Footnotes

- The amounts are presented on a gross basis.
- No variable remuneration was paid to the Directors (Executives and Non-Executives).
- The sum of fixed remuneration, pension benefits and variable remuneration.
- Directors' remuneration was paid by Piraeus Bank S.A. Directors did not receive any remuneration from any other subsidiary.
- Include gross amounts paid by Piraeus Bank for medical care, life insurance, child savings plan as well as the annual corporate car leasing costs. Cars granted as a security measure to a Director are not included in their remuneration (i.e. Chairman of the Board and the CEO).
- Employees' participation in the IORP has retroactive effect since 2019 and therefore the payments made by Piraeus Bank in 2020 refer in two years contributions (years 2019 and 2020) in aggregate. The Chairman of the BoD participates in the IORP with a low contribution capped at 2% of his annual fees.
- In 2021, BoD has adopted the role of the Senior Independent Director and appointed the Vice Chairman of the Board, Mr. K. De Boeck, as the Senior Independent Director. His remuneration was not affected by this change.
- Mr. A. Blades, upon his request, relinquished the right to receive any remuneration for the years 2020 and 2021.
- In 2021, following the related parties' approval process, a salary adjustment of 24.6% was approved for the CEO.
- Mr. V. Koutentakis's remuneration derives from his employment contract with former Piraeus Bank S.A. (which was automatically transferred to new Piraeus Bank by virtue of law) and to his role as Executive General Manager in Retail Banking & Distribution Network of Piraeus Bank S.A. He does not receive any additional remuneration for his participation in the BoD.

## 4. Comparison of Remuneration and Group's Performance Over Time

**Table 5: Comparative table on the variance of remuneration and performance**  
(as required by the provisions of par.2b of Article 112 of Law 4548/2018)

| 5.1. Directors' Remuneration <sup>1,2</sup> in (€)                                       |   |   | 2017         | 2018         | 2019         | 2020         | 2021 <sup>4</sup> |
|--|---|---|--------------|--------------|--------------|--------------|-------------------|
| Name   | Position / Capacity   | Membership                                    |              |              |              |              |                   |
| George Handjinicolaou  | Chairman of BoD<br>Non-Executive                                      | since 01.11.2016                              | 263,167.66   | 261,871.92   | 256,374.08   | 265,837.66   | 260,799.66        |
|  |   | change (%) <sup>7</sup>                       | 3.7%         | -0.5%        | -2.1%        | 3.7%         | -1.9%             |
| Karel De Boeck   | Vice Chairman of BoD<br>Senior Independent Non-Executive <sup>3</sup> | since 08.06.2016                              | 160,000.00   | 160,000.00   | 160,000.00   | 160,000.00   | 160,000.00        |
|  |   | change (%) <sup>7</sup>                       | 44.4%        | 0.0%         | 0.0%         | 0.0%         | 0.0%              |
| David Hexter   | Independent Non-Executive   | since 27.01.2016                              | 160,000.00   | 160,000.00   | 160,000.00   | 156,000.00   | 148,039.76        |
|  |   | change (%) <sup>7</sup>                       | 47.1%        | 0.0%         | 0.0%         | -2.5%        | -5.1%             |
| Arne Berggren  | Independent Non-Executive   | since 08.06.2016                              | 120,000.00   | 120,000.00   | 120,000.00   | 120,000.00   | 120,000.00        |
|  |   | change (%) <sup>7</sup>                       | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%              |
| Enrico Tommaso Cucchiani   | Independent Non-Executive   | since 15.11.2016                              | 72,000.00    | 72,000.00    | 72,000.00    | 72,000.00    | 99,011.09         |
|  |   | change (%) <sup>7</sup>                       | 53.0%        | 0.0%         | 0.0%         | 0.0%         | 37.5%             |
| Venetia Kontogouris  | Independent Non-Executive   | since 28.06.2017                              | 24,600.00    | 60,000.00    | 60,000.00    | 65,290.32    | 65,766.67         |
|  |   | change (%) <sup>7</sup>                       |              | 26.0%        | 0.0%         | 8.8%         | 0,7%              |
| Solomon Berahas  | Independent Non-Executive   | since 01.11.2016                              | 80,000.00    | 96,000.00    | 96,000.00    | 96,000.00    | 96,000.00         |
|  |   | change (%) <sup>7</sup>                       | 122.2%       | 20.0%        | 0.0%         | 0.0%         | 0.0%              |
| Andrew Panzures  | Independent Non-Executive   | since 26.06.2020                              | -            | -            | -            | 44,951.65    | 102,233.33        |
|  |   | change (%) <sup>7</sup>                       |              | -            | -            | -            | 18.8%             |
| Anne Weatherston   | Independent Non-Executive   | since 26.06.2020                              | -            | -            | -            | 34,371.01    | 111,079.57        |
|  |   | change (%) <sup>7</sup>                       |              | -            | -            | -            | 68.9%             |
| Alexander Blades <sup>5</sup>  | Non-Executive   | since 27.01.2016                              | 0.00         | 0.00         | 0.00         | 0.00         | 0.00              |
|  |   | change (%)                                    |              | -            | -            | -            | -                 |
| Periklis Dontas  | HFSF BoD Representative<br>Non-Executive                              | since 18.12.2019                              | -            | -            | 4,600.00     | 120,000.00   | 120,000.00        |
|  |   | change (%) <sup>7</sup>                       |              |              |              | 0.0%         | 0.0%              |
| Christos Megalou   | CEO, Executive  | since 08.03.2017                              | 279,789.17   | 317,067.57   | 310,020.22   | 323,707.15   | 391,850.85        |
|  |   | change (%) <sup>7</sup>                       |              | -0.3%        | -2.2%        | 4.4%         | 21.1%             |
| Vasileios Koutentakis  | Executive   | since 28.05.2020                              | -            | -            | -            | 197,568.96   | 296,914.09        |
|  |   | change (%) <sup>7</sup>                       |              |              | -            | -            | -2.0%             |
| Total Directors' Remuneration <sup>1,2</sup> in (€)<br>(only for active members in 2021) |   |   | 1,159,556.83 | 1,246,939.49 | 1,238,994.30 | 1,655,726.75 | 1,971,695.02      |
| Total Directors<br>(including non-active members in 2021)                                |   | No of Directors<br>as of 31.12                | 11           | 11           | 10           | 13           | 13                |
|  |   | Annual<br>Remuneration <sup>6</sup><br>in (€) | 1,703,249.62 | 1,682,526.26 | 1,595,669.82 | 1,655,726.75 | 1,971,695.02      |
|  |   | change (%)                                    | -11.8%       | -1.2%        | -5.2%        | 3.8%         | 19.1%             |

### Footnotes

- The amounts are presented on a gross basis and include fees, base salary, pension and other benefits (including medical care, life insurance, child savings plan, as well as the annual corporate car leasing costs).
- Information is provided for the Directors who performed their mandate under the reported financial year (2021), taking also into consideration that the current BoD tenure start date is 26.06.2020 and that the tenure of the majority of members was at that time renewed.
- In 2021, BoD has adopted the role of the Senior Independent Director and appointed the Vice Chairman of the Board, Mr. K. De Boeck, as the Senior Independent Director. His remuneration was not affected by this change.
- Due to changes occurred in the composition of the BoD Committees during 2021, as referred in the footnote No.3 of the Table 3. "Distribution of NEDs Fees per Committee for 2021"
- Mr. A. Blades, upon his request, relinquished the right to receive any remuneration for the years 2017 to 2021.
- The relevant amounts include the remuneration of all Directors, who were active during the respective year.
- For the calculation of the % change, the amounts have been adjusted on an annualized basis, taking into consideration, where needed, the relevant remuneration caps.

| 5.2. Performance <sup>8</sup> |  | 2017         | 2018         | 2019          | 2020 <sup>9</sup> | 2021 <sup>10</sup>    |
|-------------------------------|--|--------------|--------------|---------------|-------------------|-----------------------|
| Quantitative Measures         | Staff Costs to Core income ratio <sup>1</sup>  | 26.17%       | 25.94%       | 25.76%        | 23.51%            | 21.06%                |
|                               | change (bps)                                   | -45          | -23          | -18           | -245              |                       |
|                               | RoTE <sup>2</sup>                              | 0.04%        | 0.96%        | 0.52%         | -13.79%           | --                    |
|                               | change (bps)                                   | -11          | 93           | -44           | 4.60%             | 13.07% <sup>2.1</sup> |
|                               | FTEs <sup>3</sup>                              | 12,913       | 11,794       | 10,843        | 10,429            | 9,493                 |
|                               | change (%)                                     | -2.6%        | -8.7%        | -8.1%         | -9.0%             |                       |
|                               | ASSETS / FTEs <sup>4</sup>                     | 4.87         | 4.99         | 5.48          | 6.72              | 8.24                  |
|                               | change (%)                                     | -16.0%       | 2.4%         | 10.0%         | 22.6%             |                       |
| Qualitative Measures          | TR*M index <sup>5</sup>                        | 84           | 84           | 86            | 82                | 81                    |
|                               | CDP <sup>6</sup> (level / score)               | Management/B | Management/B | Management/B  | A-listed          | Management/B          |
|                               | VIGEO-EIRIS <sup>7</sup> (performance / score) | Robust / 51  |              | Advanced / 60 |                   | Advanced / 60         |

## Footnotes

- Total staff costs excluding VES costs over (/) total Net Income (Net Interest Income + Net Fee Income) related to the corresponding period.
- Return on Tangible Equity (RoTE) is calculated by dividing the Group's net income by shareholders' equity. The equity adjusted, more specific, excluded intangible elements such as goodwill, debt that can be converted into common stock, and preferred stock.
- 2.1. RoTE adjusted is calculated by dividing the Group's profit/ (loss) before tax for the year, adjusted for one-off items (please refer to footnote No. 10) divided by total equity (after excluding intangible assets and Additional Tier I).
- Number of Full-time equivalent at end of year.
- Adjusted total assets over (/) FTEs (amount in million euro).
- Index that shows the overall customer satisfaction and Bank preference.
- This index is measured by CDP Global, an international non-profit organization, the most trusted and renowned in collecting information on the management of the environmental and climate impact of companies and other entities.
- Vigeo Eiris, acquired by Moody's in 2019, is a rating and research agency evaluating organizations' integration of social, environmental and governance factors into their strategies, operations and management. Vigeo Eiris' frequency is every two years.
- Figures and quantitative measures for the years 2017-2019 refer to Piraeus Financial Holdings (former Piraeus Bank), while for the year 2020 & 2021 figures and quantitative measures refer to Piraeus Financial Holdings Group.
- Comparable quantitative measures for 2019 at a Group level: Staff costs to Core income ratio 26.72%, RoTE reported 5.06% (vs -13.79% in 2020) and RoTE adjusted 3.01% (vs 4.60% in 2020). Adjustments in 2019 refer to €351mn Intrum transaction gain, 36 mn staff restructuring costs, one-off impairments of €87mn, FTEs 11,615 and Assets per FTE at €5.13 mn.
- Comparable quantitative measures for 2021 at a Group level: Staff costs to Core income ratio 21.06%, RoTE adjusted 13.07%. One-off items in 2021 refer to (a) the gains from sovereign bond portfolio amounting to €387mn and from Mayfair transaction amounting to €184mn in trading income, (b) Voluntary Exit Scheme costs of €25mn, (c) €7mn non-recurring costs in G&A expenses, (d) impairment in the context of the NPE reduction plan of €3,874mn.

| 5.3. Employees' Average Remuneration on a full-time equivalent basis <sup>1,3</sup> | 2017      | 2018 <sup>2</sup> | 2019 <sup>2</sup> | 2020      | 2021      |
|---|-----------|-------------------|-------------------|-----------|-----------|
| Average Annual Remuneration in (€)  | 30,453.00 | 29,811.89         | 30,475.64         | 31,563.38 | 32,516.31 |
| change (%)  | 1.7%      | -2.1%             | 2.2%              | 3.0%      |           |

## Footnotes

- The above amounts are presented on a gross basis and calculated by dividing Total Remuneration to Average Number of FTEs, where:  
**Total Remuneration:** The sum of a) Wages & Salaries, b) Other staff costs and c) Retirement benefit charges, as disclosed in Note "Staff Costs" of the published annual financial statements and the annual car leasing costs for the respective year. The annual remuneration paid to Directors for each financial year (including non - active members at Table 4.1) has been deducted.  
**Average Number of FTEs:** Average number of active FTEs as of 01.01 and 31.12.
- Average Annual Remuneration has been properly adjusted for comparability purposes. Excluding these adjustments, the Average Annual Remuneration for 2018 and 2019 would be € 28,023.34 and € 31,683.60, respectively.
- Due to the hive-down process on 31 Dec. 2020, the Average Annual Remuneration of employees for the years 2017-2019 refers to Piraeus Financial Holdings (former Piraeus Bank), while for the years 2020 and 2021 refers to Piraeus Financial Holdings Group.

#### 4.4 Redefining core activities with 2022-2025 Business Plan, to unlock Piraeus Group's return prospects

Over the past 4 years, the Group has built strong foundations for a fully de-risked, resilient and sustainably profitable bank.

On April 6<sup>th</sup> 2022, the Group outlined its strategic plan for 2022-2025, which enables the Group in attaining a single-digit NPE ratio this year and builds a clear path for tomorrow.

Piraeus Bank delivered a transformative outcome via the execution of Sunrise plan in 2021. The 2022-2025 Business Plan aims to set distinct strategic priorities for the medium-term that will further enhance stakeholders' confidence in the prospects of our franchise.

The core of our strategy is to further expand Piraeus Banks' position as a leading contributor of stability for the Greek economy, supporting growth and innovation. This new journey further accelerates as the Group's efforts focus on three (3) main strategic pillars:

- Deeper cost hunt to reach best-in-class operating efficiency level
- Grow & diversify revenue pools, targeting high RoRWA sources of income
- Return on capital optimization in credit expansion strategy

Piraeus will maintain strict cost discipline and further increase efficiency, aiming for a cost-income ratio below 40% by the end of 2025. Our expectation is to drive efficiencies until 2025 by further reducing expenses at the level of €0.7bn, in order to reinvest in business growth.

Piraeus' ambition involves a targeted loan expansion of c.€7bn in 2022-2025, reaching c.€35bn performing loans at the end of the period, by focusing on priority sectors such as manufacturing, hospitality and energy.

A leading role in asset management is another space that Piraeus aspires to become a leader targeting a total of c.€12bn assets under management in 2025.

As a result, Piraeus aims to increase returns on average tangible book value (RoATBV) to c.6% for 2022 and gradually year after year reach c.12% in 2025. Subject to successful implementation, this would enable us to distribute dividend to our shareholders as of 2024 subject to set conditions and supervisory consent.

Piraeus is also placing attention on exploring other new commercial and strategic initiatives. The Group is stepping up their implementation, namely, increasing our bancassurance business and real estate management. In parallel to the above, we capture digital ecosystem commercial opportunities and enhance our digital offering and value proposition.

For the Group, 2022 is a year of accelerated effort to extract value from and optimize all its core operating lines. Additionally, the Group will continue digitalizing and simplifying its operating model to boost effectiveness and efficiency. Finally, it is stepping up its ESG agenda with an actionable plan, expanding ESG practices to workplace and society, aiming to grow its sustainable banking envelope by approximately €9bn for the period 2022-2025.

| Table 6: 2022-2025 Business Plan |       |       |       |       |
|----------------------------------|-------|-------|-------|-------|
| Financial Aspirations            | 2022  | 2023  | 2024  | 2025  |
| RoaTBV                           | c.6%  | c.8%  | c.10% | c.12% |
| NPE ratio                        | c.9%  | c.5%  | c.3%  | c.3%  |
| FL CET1                          | c.10% | c.11% | c.12% | c.13% |

Data for 2022-2025 displayed on recurring basis. Data for business plan are updated based on latest facts and prevailing market conditions and as communicated in April 2022.

## 5. Other Standard Disclosures

Piraeus Group annually discloses both quantitative and qualitative information (disclosures of the article 450 of (EU) Regulation No. 575/2013, Pillar III) related to the remuneration, in line with all applicable legal and regulatory requirements.

Detailed aggregate quantitative information on the remuneration of PFH Directors (including those of subsidiaries), Senior Management and the categories of staff whose activities have a material impact on the Group's risk profile (Material Risk Takers), is available on the Piraeus Financial Holdings' website ([Pillar III disclosures | Piraeus Financial Holdings](#)).

## 6. Use of the Right to Reclaim

The Group made no use of any right to reclaim any remuneration in 2021.

## 7. Auditor's Report



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TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

### REPORT OF THE INDEPENDENT AUDITOR ON THE REMUNERATION REPORT ACCORDING TO ARTICLE 112 OF LAW 4548/2018

To the Board of Directors of **Piraeus Financial Holdings S.A.**

We performed our work, as described below in paragraph "Scope of Work", based on our engagement letter dated 5 May 2022 and according to the provisions of paragraph 4 of Article 112 of Law 4548/2018, in order to determine if and to what extent the Remuneration Report (Appendix A) for the year 2021 of Piraeus Financial Holdings S.A. (the Company) includes the information as provided in Article 112 of Law 4548/2018.

#### Regulatory Framework

Under the provisions of Article 112 of Law 4548/2018, entities with shares listed on a regulated market are obligated to prepare a clear and comprehensive Remuneration Report, which includes an overview of the total remuneration as stipulated in the remuneration policy of the entity, in accordance with Article 110 of Law 4548/2018. The Remuneration Report shall be submitted for discussion to the Annual General Meeting of Shareholders as a separate item of the Agenda. Following the discussion held at the Annual General Meeting of Shareholders, the Remuneration Report is published in accordance with paragraph 4 of Article 112 of Law 4548/2018 and is available for a period of ten (10) years. The same paragraph of this Law also states that the entity's auditors should determine whether and to what extent the Remuneration Report includes the information required by Article 112 of Law 4548/2018.

#### Responsibilities of Company's Management

Management is responsible for the preparation and the overall fair presentation of the Remuneration Report in accordance with Article 112 of Law 4548/2018. In this context, Management is responsible to prepare a clear and comprehensive Remuneration Report, which provides an overview of the total remuneration as stipulated in the remuneration policy of the Company, in accordance with Article 110 of Law 4548/2018.

Management is also responsible for designing all necessary internal controls to ensure Company's compliance with the provisions of Articles 110, 111 and 112 of Law 4548/2018, as effective.

#### Auditor's Responsibility

Our responsibility is limited to the issue of this Report and is based on the work performed to determine whether and to what extent the Remuneration Report for the year 2021 of the Company includes the information required by Article 112 of Law 4548/2018.

Our work is limited to the items described in "Scope of Work" paragraph below and was performed in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".





## Scope of work

Our work was performed to determine whether the Remuneration Report includes, as a minimum, the following information regarding the remuneration of each individual member of the Company's Board of Directors:

- (a) total remuneration awarded, including remuneration of paragraph 2 of Article 109, providing analysis per type, fixed and variable remuneration percentages, as well as an analysis of the implementation of performance criteria and how total remuneration complies with the approved remuneration policy,
- (b) the annual change of remuneration of each member of the Board and the Chief Executive Officer, the performance of the Company and the average remuneration, on a full-time equivalent basis, of the employees of the Company, other than directors, over the last five (5) financial years, presented in a manner that allows comparison from the shareholders,
- (c) any remuneration of all kinds from any company belonging to the same group of companies, as defined in Article 32 of Law 4308/2014,
- (d) the number of shares and share options granted or offered to the members of the Board of Directors and the main conditions for the exercise of these rights, including the exercise price and date and any change thereof,
- (e) any share options vested by the Board of Directors under the Company's share-based remuneration plans,
- (f) information in relation to the use of the ability to recover variable remunerations,
- (g) information in relation to any deviation from the remuneration policy, pursuant to paragraph 7 of Article 110, including a description of the nature of the exceptional circumstances and the indication of the specific elements of the remuneration policy that has been breached.

## Conclusion

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report (Appendix A) for the year 2021 of Piraeus Financial Holdings S.A. does not include the information required by Article 112 of Law 4548/2018.

## Restriction of use

Our Report has been prepared solely for the purpose stated in its first paragraph and is addressed exclusively to the Company's Board of Directors and shall not be used for any other purposes.

Athens, 23 June 2022

The Certified Public Accountant

**Dimitris Koutsos-Koutsopoulos**

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