Directors' Remuneration Policy

The current version is the 1st Revision of the Directors' Remuneration Policy of MOTOR OIL (HELLAS) CORINTH REFINERIES S.A. which was approved by the Annual Ordinary General Assembly of the Company shareholders of June 17th, 2020. The Assembly was attended by shareholders representing a percentage of 76.74% of the Company Share Capital, while the percentage of votes in favor amounted to 98.71% of the present shareholders.

Preamble

The Directors' Remuneration Policy ("The Policy") has been prepared by the Board of Directors of MOTOR OIL (HELLAS) CORINTH REFINERIES S.A. pursuant to article 110 of the Law 4548/2018 which is in effect since January 1, 2019.

The maximum period of the validity of the Policy cannot exceed four (4) years following its approval by the General Assembly. The Company is obliged to submit the Policy for re-approval by the General Assembly each time a material change occurs in the circumstances the preparation of the Policy was based on and in any case four (4) years following its approval by the General Assembly.

1. The role of the Remuneration Committee in the determination of the DRP

All decisions regarding salary matters are decided by the Board following recommendations by the Remuneration Committee which has been assigned the duty to ensure that the executive management and the Board members under employment relationship are compensated in a manner consistent with the Company remuneration policy, the competition, the regulatory framework in place for labor issues and the interests of the shareholders.

The absolute level of executive management remuneration is determined as a function of a number of parameters such as the level of responsibility, seniority, performance and Company perks. As a general policy the Company strives for the creation of a working environment that encourages long-term staying and provides incentives for business decision making oriented toward the maximization of shareholder value on a timely basis.

The general salary policy of the Company is determined by the Remuneration Committee based on the guidelines provided to it by the Board. The remuneration increases for those of the executive management team members who are also Board members under employment relationship are determined on the basis of the principles of the general salary policy of the Company.

The Company does not offer its employees and executive management additional bonuses on a regular basis and it does not implement an incentive policy in the form of stock options.

The current composition of the Remuneration Committee comprises five (5) members of which four (4) are executive Board members under employment relationship (both Deputy Managing Directors participate - one being the Chairman, the Refinery Manufacturing General Manager and the Administration & Human Resources General Manager) and the fifth member is the Refinery Manufacturing Deputy General Manager.

The Remuneration Committee constantly monitors the development of the aggregate amount of personnel salaries and other related benefits in conjunction with the progress of Company operations and makes recommendations to the Board whenever a corrective action is deemed necessary in order to protect the long-term interests of the stakeholders and the viability of the Company.

2. The Remuneration components of the Directors of the Company

The total remuneration of the Directors of the Company can be the sum of all or part of the following fixed and / or variable components:

Fixed

- Fixed fee received by all Directors approved by the General Shareholders' Meeting
- Gross salary (i.e. the aggregate amount received on a regular basis prior to any deductions such as employee pension contribution, personal income tax and social contribution tax) received by those Directors under an employment relationship
- Fringe Benefits (i.e. company car, private pension scheme, health and life insurance program)

Variable

Additional compensation (through the Earnings Appropriation account) received by all Directors except the independent members of the Board and the Non-Executive member of the Board which is not a member of any Committee following approval by the General Shareholders' Meeting.

2.1 The Fixed components of the Directors' remuneration: The specifics

2.1.1 Compensation according to Director Status

The Board of Directors is the highest administrative body of the Company and may comprise from eight (8) up to twelve (12) members elected by the Shareholders' General Assembly for a one – year term commencing on the next day following their election by the General Assembly and extended to the deadline the next Ordinary General Assembly has to take place and until the relevant decision is taken. According to the Greek Corporate Governance Law 3016/2002 at least one third of the total number of Board Directors must be non-executive and at least two of those must be independent.

In addition, the Audit Committee (AC), also elected by the General Assembly in the case of MOTOR OIL (HELLAS) S.A., must comprise at least three (3) members the majority of which must be independent. The Chairman of the AC must also be independent.

The current composition of the Company Board has twelve (12) Directors of which three (3) are independent which is higher than the minimum number of independent Directors required by the Greek Corporate Governance Law.

The annual fixed compensation received by the Board members equals Euro 30,000 regardless of their status (i.e. executive, non-executive, non-executive independent).

The only differentiation concerns the members of the Audit Committee for which the annual fixed compensation equals Euro 35,000 as a means to attract adequately qualified candidates to take over the post of a Director and an Audit Committee member in particular.

The Directors' Annual Fixed fee mentioned above is not related to the number of meetings convened by the Board (or a Committee of which they are members of) during the year. The above mentioned fees are approved by the Annual General Meeting and pre-approved by it for the next fiscal year.

2.1.2 Remuneration of Directors under an employment relationship

Currently five (5) Company Directors are under an employment relationship with MOTOR OIL (HELLAS) S.A. The fact that these individuals have been appointed by the General Assembly as Directors does not differentiate their salary or fringe benefit status (please see relevant section below) or reinstates their employment contractual agreement in any way. The employment history of these five Directors with the Company dates back to 1978, 1982, 1986, 2010 and 2011 respectively and to this end none of their employment agreements needs approval by the General Assembly (a requirement introduced by the Law 4548/2018).

The employment agreements of the Directors under employment relationship are "typical" indefinite employment contracts normally offered by the Greek private sector and there are no pay-outs in the event of termination of office or termination of the employment agreement apart from those provided by the Greek labour law.

The aggregate compensation level of the said Directors is determined mainly by the salary policy adopted by the Company while the Remuneration Committee is tasked to constantly monitor the market practices and come up with proposals in order to secure that the overall compensation level of the said Directors as well as of the Chairman and the Vice Chairman remain competitive with respect to the average market level for similar offices and positions (please see section "The Variable components of the Directors' remuneration").

MOTOR OIL (HELLAS) S.A. has adopted a coherent salary policy the main pillars of which have as follows:

Each employee receives a gross salary (please see definition in page 2) corresponding to his/her experience, the role covered and the scope of the responsibilities assigned to him/her. In addition

to the gross salary the employee receives the so called "Christmas Benefit", "Easter Benefit" and "Summer Holiday Benefit"[1] each year.

Therefore, at the beginning of the employment relationship with the Company employees receive an aggregate amount of 14 times the gross salary each year. This initial gross salary is termed "basic salary" and forms 100% of the gross salary. Put simply, upon beginning of the employment relationship of an employee with the Company "gross salary" and "basic salary" is the same amount.

As already mentioned, "the Company strives for the creation of a working environment that encourages long-term staying and provides incentives for business decision making oriented toward the maximization of shareholder value on a timely basis" and to this end the salary policy of the Company provides the following:

- Both the "Easter Benefit" and the "Summer Holiday Benefit" increase by 100% after ten (10) years of employment. Therefore, employees end up receiving an aggregate amount of 15 times the gross salary each year.
- Each employee receives automatic increments (allowances) in three (3) year intervals. These increments are applied on the "basic salary" amount. The first increment is 7% and all the rest three (3) year increments are 5%. There is a ceiling regarding the maximum percentage of the three (3) year allowance:
  - 47% in the case of the Company Headquarter employees (27year employment status)
  - 57% in the case of the Company Refinery employees (33year employment status)

The above salary development structure has been established in order to protect the amount received by the employees from possible inflationary pressures particularly during the periods the Company deems that general salary increases should not be granted considering the economic circumstances and the development of Company operations and financial results (based on Remuneration Committee corrective action proposals already mentioned in page 2).

As the years of employment relationship pass by, the "gross salary" of each employee is the sum of the "basic salary" and the "three (3) year allowance aggregate". The latter ends up forming a significant part of the "gross salary", while the former is a key determinant of the amount received by the employee through the "Defined Benefit" scheme (please see section "fringe benefits") offered by the Company to all personnel on retirement.

The salary of the Directors under employment relationship with MOTOR OIL (HELLAS) S.A. is formed and will continue to be formed in accordance with the provisions of the Company salary policy.

[1] Christmas Benefit = one (1) gross salary, Easter Benefit & Summer Holiday Benefit = half (0.5) gross salary each

As already mentioned the Company "does not offer its employees and executive management additional bonuses on a regular basis". That said, it must be stressed that in certain fiscal years, following the recommendation by the Remuneration Committee (which, as already mentioned, is tasked with the submission of corrective action proposals), the Board has decided and offered up to one (1) extra gross salary to all Company personnel taking into consideration the progress of Company operations and financial results.

The treatment of the Directors under employment relationship with MOTOR OIL (HELLAS) S.A. has been and will be the same as that of Company personnel with regard to ad-hoc bonuses. Given that one (1) extra salary constitutes less than 7% and is amalgamated in the annual aggregate gross payroll amount of the said Directors, these occasional bonuses are regarded as Fixed Remuneration Component for the purposes of the Directors' Remuneration Policy.

2.1.3 Fringe Benefits

The Company offers a series of fringe benefits which include: life insurance and hospital care program, a retirement benefit plan and company car.

With the exception of the company car the fringe benefits mentioned above are offered to all employees of the Company.

The Independent Directors and the Non-Executive Director who is not a member of any Committee are not entitled to any of the fringe benefits mentioned above.

The rest Directors are allocated fringe benefits as follows:

Directors under employment relationship

The five (5) Directors under employment status are offered the whole array of fringe benefits which are in any case also allocated to the Managers of the Company tasked with key responsibilities (i.e. GM Marketing, GM Planning, Refinery Deputy GM, IT GM).

The health care program of the Company is offered to all employees and covers hospital treatment expenses up to Euro 40,000 per annum per dependant family member.

The Retirement Benefit Plan of the Company is also offered to all employees and on retirement it grants an aggregate amount equal to the number of years of employment times the amount of the final basic salary (i.e. the final basic salary of the year prior to retirement).

The said Directors under employment status are treated in the same manner with the rest employees with regard to the terms and conditions of the programs mentioned above. Such programs are ordinarily offered by the large companies in Greece and given that they concern "Group schemes" (i.e. the premium per employee is a small amount) the annual benefit allocated to each Director forms only a small part of his/her aggregate gross pay. To this end, fringe benefits

(including lease payments for the company car) are regarded as Fixed Remuneration Component for the purposes of the Directors' Remuneration Policy.

Chairman & Managing Director, Vice Chairman

The Chairman & Managing Director and the Vice Chairman of the Board are not under an employment status with the Company. Historically they both receive the Annual Fixed fee approved by the General Shareholders' Meeting. They are also allocated the whole array of fringe benefits apart from the Retirement Benefit Plan due to the absence of a salary required by the scheme to be related to.

As an alternative to a salary, in recent years, they were allocated part of the net income of the Company (please see next section of the DRP) following approval by the General Shareholders' Meeting and depending on the profitability of the Company.

Non- Executive Director without employment relationship - Audit Committee Member

The said Director is allocated a Company car under the normal terms and conditions as is the case of other Company executives. In recent years he has been allocated part of the net income of the Company (please see next section of the DRP) following approval by the General Shareholders' Meeting and depending on the profitability of the Company.

2.2 The Variable component of the Directors' remuneration: The specifics

As already mentioned, "the Remuneration Committee is tasked to constantly monitor the **market practices** and come up with proposals in order to secure that the overall compensation level of the said Directors as well as of the Chairman and the Vice Chairman remain competitive with respect to the average market level for similar offices and positions".

In the recent years the Board of the Company decided to include as a daily agenda item of the Annual Ordinary General Meetings 2016, 2017, 2018, 2019 and 2020 the distribution of part of the net income to all Company personnel and to members of the Board as reward and recognition of their contribution to the attainment of outstanding financial results which led to the increase of the shareholder value at the same time.

In the years 2016, 2017, 2019 and 2020 the amount of one (1) gross salary and in the year 2018 the amount of one and a half (1.5) gross salaries were distributed to each Company employee while for all the years mentioned additional compensation was granted to the Chairman & MD, the Vice Chairman of the Board and the rest Directors (the Independent Directors and the Non-Executive Director who is not a member of any Committee were excluded) in order to secure that the overall compensation level is in line with the average market level for similar positions.

No particular incentive scheme was required to be formulated by the Company. The generation of solid financial results is a notion understood by all employees who realize that each action in

their daily tasks must be performed at the highest standards possible thus contributing to dependable net income creation.

No specific limit was set per Director with regard to the percentage the variable component of his/her remuneration should be in relation to his/her aggregate compensation. The reason for this was the fact that the Chairman & MD and the Vice Chairman of the Board receive no salary the fixed component in their case therefore being extremely low (i.e. Annual Fixed fee, Fringe Benefits).

3. The Directors' Remuneration Policy: The matrix

	Fixed Remuneration Components			Variable Component
	Annual Fee	Salary	Fringe Benefits	Earnings Distribution
Chairman & MD	AGM Approval	–	Company Policy*	AGM Approval
Vice Chairman	AGM Approval	–	Company Policy*	AGM Approval
Executive/ Employment Relationship	AGM Approval	Company Policy	Company Policy	AGM Approval
Non-Executive/ Employment Relationship	AGM Approval	Company Policy	Company Policy	AGM Approval
Non-Executive/Audit Committee Member	AGM Approval	–	Company Policy*	AGM Approval
Non-Executive	AGM Approval	–	–	–
Independent	AGM Approval	–	–	–
Audit Committee	AGM Approval	–	–	–

** The Retirement Benefit Plan is excluded*