

# Remuneration Report 2019

## Board of Directors of ELLAKTOR S.A.

### 1. Introduction

This Remuneration Report (“Report”), which presents the remuneration paid to the members of the Board of Directors (“BoD”) of ELLAKTOR (“Company”), was approved by the Company’s BoD by virtue of its decision dated 20 August 2020, checked for completeness by the Company’s certified auditor and submitted for discussion to the Annual General Meeting of the Company’s shareholders held on 10 September 2020.

The Report was prepared in accordance with the EU shareholder rights directive (SRD II)<sup>1</sup>, as incorporated in Greek legislation by Law 4548/2018 (Article 112) and taking into account the European Commission’s [draft Guidelines](#) for the standardised presentation of the Report, which was put to [public consultation](#) on 1 March 2019.

This is the first Report of its kind, which describes the manner of implementation of the [Remuneration Policy](#) of the Company’s BoD (“Policy”), approved by the Annual General Meeting of the Company on 11 July 2019, and has been posted on the Company’s website [www.ellaktor.com](http://www.ellaktor.com) and includes the wages, the remuneration of the members of the BoD, as well as any allowances or benefits of each member of the Company’s BoD paid either by the Company or by any other related company in accordance with Article 99, para. 2(a) of Law 4548/2018.

### Overview of the Group’s results for 2019

The following significant events took place in 2019, per segment:

- The Construction segment paid special attention to the completion and disengagement from projects with a negative economic performance taken on before 2018.
- In the Concessions segment, the movement of vehicles in mature projects continued to show signs of recovery. In addition, the Group was declared “Preferred Investor” in the tender for the granting of the right of use and exploit of Alimos Marina for 40 years, which was organised by the Hellenic Republic Asset Development Fund (HRADF).
- In the Environment segment, the Group expanded its portfolio of municipal waste treatment plants by adding one unit.
- In the Renewable Energy Sources segment, construction of three wind farms with total installed capacity of 105.6 MW was completed.
- In the Real Estate Development segment, the development of the second phase of the SMART PARK shopping centre was completed, with the addition of 15,000 m<sup>2</sup>.

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<sup>1</sup> Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 as amended by Directive (EU) 2017/828 of the European Parliament and the Council of 17 May 2017.

In addition, the absorption of the subsidiary EL.TECH. ANEMOS S.A. by ELLAKTOR S.A., begun in 2018, was completed, as was the issue and disposal of an international unsecured bond of EUR 600 million.

#### Key figures of the Group's income statement

(amounts in millions of EUR)	2019	2018
Sales	1,273.6	1,857.3
EBITDA	80.6	142.9
<i>EBITDA margin</i>	6.3%	7.7%
EBIT	(21.9)	41.6
<i>EBIT margin</i>	(1.7%)	2.2%
Results before tax	(84.0)	(25.8)
Results after tax	(105.7)	(95.6)

## 2. Summary of the Remuneration Policy

The Policy applies to the remuneration of all members of the Company's BoD, for the executive members of which it envisages fixed and variable remuneration, while for the non-executive it only envisages fixed remuneration.

The following table contains the main points of the remuneration policy for **executive members** of the BoD:

Type of remuneration	How it operates	Maximum and how it links to performance
<b>Fixed pay</b>	Reviewed annually. It is structured in line with the remuneration of non-executive BoD members. Levels of fixed pay is set taking into account levels of pay at other companies of a similar size for roles of similar scope and responsibility, performance, position, the responsibilities and experience of the individual, the performance and the pay and employment conditions elsewhere in the Company, etc.	Increases are expected to be set in alignment with the relevant compensation market. There is the possibility of larger increases in cases of extended responsibility or experience. Levels will be reviewed taking into account the performance of the individual and of the Company.
<b>Retirement allowance</b>	A defined contribution pension plan is envisaged.	Maximum contribution of the Company: up to 10% of the fixed pay.
<b>Liability insurance</b>	Civil liability insurance is provided.	Maximum compensation: € 30 mil. per claim.
<b>Other benefits</b>	Private health and life insurance, car, fuel allowance, etc.	There is no maximum level of benefits.
<b>Short-term incentive scheme (STIS)</b>	At the start of each financial year, the NRC <sup>2</sup> determines the performance measures and their weightings for the STIS; at the end of the year, it assesses performance. 70% of any amount obtained is paid in cash. The remaining 30% is deferred for two years and is delivered in cash or in Company shares which are eligible for dividend equivalents to the date of its	The performance measures include both financial and non-financial measures (80%) and personal performance (20%). Maximum: 150% of the annual base salary. 100% performance: variable remuneration will not be more than 50% of maximum annual variable remuneration. Minimum performance (threshold): variable

<sup>2</sup> Nomination and Remuneration Committee.

Type of remuneration	How it operates	Maximum and how it links to performance
	vesting. Payments under the STIS will be subject to recovery for a period of at least 3 years from payment in the event of certain specified events.	remuneration will not be more than 25% of maximum annual variable remuneration. No threshold performance achieved: no variable remuneration.
<b>Long-term incentive plan (LTIP)</b>	Rolling Performance Share Plan with a performance period of at least 3 years with a mandatory two-year holding period. The performance measures and targets are set at the beginning of each performance period. The NRC may amend the measures and weightings for future awards. Material changes will be subject to prior consultation with the shareholders. Payments under the LTIP will be subject to recovery for a period of at least 3 years from the date of vesting in the event of certain specified events.	Vesting requirements: meet specific criteria on the share price and/or financial performance measures as determined by the NRC. For the 2019 plan, the criteria are: adjusted earnings per share, with a weighting of 50% and return on capital employed (ROCE) with a weighting of 50%. Maximum: 150% of the annual base salary which exceptionally may reach 200%. The minimum acceptable performance (threshold) guarantees 25% of the award will vest. The maximum performance guarantees 100% of the award will vest.
<b>Shareholding guidelines</b>	Retention of some or all of the shares acquired from annual bonus payments and vesting under the LTIP (net of tax) until the shareholding requirement is achieved.	They must built up and maintain a shareholding of a value equivalent to at least 200% of the fixed pay over a two-year period.

The following table contains the main points of the remuneration policy for **non-executive members** of the BoD, including the non-executive Chairman of the Board.

Structure and payment of remuneration	Setting the level of remuneration
<p><b>Fees</b> Fixed fees to cover eight (8) meetings are paid. Supplemental fees are paid for additional board meetings, the maximum number to be remunerated being five (5). An additional fee is paid for participating in or chairing a committee. The Chairman is provided a temporary allowance as well as benefits, as he is helping the CEO in the Company's positioning, with duties relating to: roadshows, relationships with banks and European institutions, such as the EBRD and the EIB. There is no performance-based variable pay or pension benefits.</p> <p><b>Liability insurance</b> Liability insurance is provided.</p> <p><b>Expenses</b> They include but are not limited to: travel and accommodation expenses for attending board meetings, attending any professional courses, purchasing reading material.</p> <p><b>Payment process and review</b> They are paid on a monthly basis or at other regular intervals within the relevant financial year.</p>	<p>The maximum amount will be determined by the BoD on the recommendation of the NRC and be subject to the approval of the AGM. The reference market: companies with similar market capitalisation, revenues, profits, complexity, international presence, etc. Determination of fees and increases: it takes into account market prices, working time for the position, any enlargement of the level, the object or the responsibilities of the position, etc.</p>

### 3. Total remuneration of BoD members

The following tables contain remuneration of all types paid to members of the BoD by ELLAKTOR Group companies. In particular, Table 1 lists, for each member of the BoD, the total remuneration by Group company and type of remuneration; Table 2 shows, for each member of the BoD, the total remuneration paid by ELLAKTOR by type of remuneration; Table 3 shows, for each member of the

BoD, the total remuneration by Group company except ELLAKTOR and by type of remuneration. Please note that the last table (Table 3) only lists those members of the BoD who received remuneration from Group companies other than ELLAKTOR.

The individual fields of the tables contain the following information:

Type of remuneration	Content
<b>1. Fixed remuneration</b>	<p>Base salary: the salaries and fees paid to members of the BoD for services rendered to the Company including those based on specific agreements under the current legislative framework.</p> <p>Fee for participation in committees: fees for participation in or chairing BoD Committees and the Audit Committee.</p> <p>Other benefits: car rental, movement and maintenance costs, mobile telephony costs, private health and life insurance costs. They do not include travel and accommodation costs for attending BoD meetings.</p>
<b>2. Variable remuneration</b>	<p>One-year variable: remuneration based on the short-term incentive scheme.</p> <p>Multi-year variable: remuneration under the long-term incentive plan, which vested in the specific financial year.</p>
<b>3. Extraordinary items</b>	<p>Non-recurring remuneration or allowances, such as retention bonus, redundancy payment, compensation for relocation, indemnity for non-competition, etc.</p>
<b>4. Pension expense</b>	<p>The Company's contribution to the pension plan.</p>
<b>5. Total remuneration</b>	<p>The sum of remuneration under Nos. 1, 2, 3 and 4.</p>
<b>6. Proportion of fixed/variable remuneration</b>	<p>Remuneration under No. 1 are deemed to be fixed remuneration, as is the fixed part of the Company's contribution to the pension plan. The remuneration under Nos. 2 and 3 and the variable part of the Company's contribution to the pension plan are deemed to be variable remuneration.</p>

**Table 1 – Total remuneration of members of the BoD by ELLAKTOR Group companies (amounts in €)**

Member's full name position and other capacities	(1) Fixed remuneration			(2) Variable remuneration		(3) Extraordinary items	(4) Pension expense	(5) Total remuneration	(6) Proportion of fixed/variable remuneration
	Base salary	Fee for participation in Committees	Other benefits	One-year variable	Multi-year variable				
<b>EXECUTIVE DIRECTORS</b>									
<b>Anastasios Kallitsantsis</b> CEO	990,997		13,216					1,004,213	100% / 0%
<i>ELLAKTOR S.A.</i>	<i>525,000</i>		<i>13,064</i>					<i>165,997</i>	
<i>ATTIKES DIADROMES S.A.</i>	<i>165,997</i>							<i>165,997</i>	
<i>ATTIKI ODOS S.A.</i>	<i>300,000</i>							<i>300,000</i>	
<i>ELLINIKI TECHNODOMIKI ANEMOS S.A.</i>			<i>152</i>					<i>152</i>	
<b>NON-EXECUTIVE DIRECTORS</b>									
<b>Georgios Provopoulos</b> Chairman of the BoD, Non-Executive Director Chairman of the CSC*	340,000	10,000	15,557	No variable remuneration is envisaged for non-executive directors of the BoD				365,557	100% / 0%
<b>Dimitrios Kallitsantsis</b> Vice-Chairman, non-executive director	988,497		12,741					1,001,054	100% / 0%
<i>ELLAKTOR S.A.</i>	<i>142,500</i>		<i>1,688</i>					<i>144,188</i>	
<i>AKTOR S.A.</i>			<i>11,053</i>					<i>11,053</i>	
<i>AKTOR CONCESSIONS S.A.</i>	<i>200,000</i>							<i>200,000</i>	
<i>ATTIKES DIADROMES S.A.</i>	<i>165,997</i>							<i>165,997</i>	
<i>ATTIKI ODOS S.A.</i>	<i>300,000</i>							<i>300,000</i>	
<i>HELECTOR S.A.</i>	<i>180,000</i>							<i>180,000</i>	
<b>Iordanis Aivazis</b> Independent, non-executive director Chairman of the NRC*	95,000	10,000						105,000	100% / 0%
<b>Panagiotis Doumanoglou</b> Non-executive director	95,000							95,000	100% / 0%

Member's full name position and other capacities	(1) Fixed remuneration			(2) Variable remuneration		(3) Extraordinary items	(4) Pension expense	(5) Total remuneration	(6) Proportion of fixed/variable remuneration
	Base salary	Fee for participation in Committees	Other benefits	One-year variable	Multi-year variable				
<b>Michail Katounas</b> Independent, non-executive director Member of the NRC*	95,000	5,000						100,000	100% / 0%
<b>Komninos-Alexios Komninos</b> Independent, non-executive director Member of the EC*, Member of the CSC*	95,000	12,500						107,500	100% / 0%
<b>Despoina-Magdalini Markaki</b> Independent, non-executive director Member of the NRC*	95,000	5,000						100,000	100% / 0%
<b>Eleni Papakonstantinou</b> Independent, non-executive director Member of the EC*, Member of the CSC*	95,000	12,500						107,500	100% / 0%
<b>Grand total 2019</b>	<b>2,889,495</b>	<b>55,000</b>	<b>41,514</b>					<b>2,986,009</b>	

(\*) AC: Audit Committee, CS Committee: Compliance and Sustainability Committee, NRC: Nomination and Remuneration Committee

**Table 2 – Total remuneration of members of the BoD by ELLAKTOR S.A. (amounts in €)**

Member's full name position and other capacities	(1) Fixed remuneration			(2) Variable remuneration		(3) Extraordinary items	(4) Pension expense	(5) Total remuneration	(6) Proportion of fixed/variable remuneration
	Base salary	Fee for participation in Committees	Other benefits	One-year variable	Multi-year variable				
<b>EXECUTIVE DIRECTORS</b>									
<b>Anastasios Kallitsantsis</b> CEO	525,000		13,064					538,064	100% / 0%
<b>NON-EXECUTIVE DIRECTORS</b>									
<b>Georgios Provopoulos</b> Chairman of the BoD, Non-Executive Director Chairman of the CSC*	340,000	10,000	15,557	No variable remuneration is envisaged for non-executive directors of the BoD				365,557	100% / 0%
<b>Dimitrios Kallitsantsis</b> Vice-Chairman, non-executive director	142,500		1,688					144,188	100% / 0%
<b>Iordanis Aivazis</b> Independent, non-executive director Chairman of the NRC*	95,000	10,000						105,000	100% / 0%
<b>Panagiotis Doumanoglou</b> Non-executive director	95,000							95,000	100% / 0%
<b>Michail Katounas</b> Independent, non-executive director Member of the NRC*	95,000	5,000						100,000	100% / 0%
<b>Komninos-Alexios Komninos</b> Independent, non-executive director Member of the EC*, Member of the CSC*	95,000	12,500						107,500	100% / 0%
<b>Despoina-Magdalini Markaki</b> Independent, non-executive director Member of the NRC*	95,000	5,000						100,000	100% / 0%
<b>Eleni Papakonstantinou</b> Independent, non-executive director Member of the EC*, Member of the CSC*	95,000	12,500						107,500	100% / 0%
<b>Grand total 2019</b>	<b>1,577,500</b>	<b>55,000</b>	<b>30,309</b>					<b>1,662,809</b>	

(\*) AC: Audit Committee, CSC: Compliance and Sustainability Committee, NRC: Nomination and Remuneration Committee

**Table 3 – Total remuneration of members of the BoD by ELLAKTOR Group companies other than ELLAKTOR S.A. (amounts in €)**

Member's full name position and other capacities	(1) Fixed remuneration			(2) Variable remuneration		(3) Extraordinary items	(4) Pension expense	(5) Total remuneration	(6) Proportion of fixed/variable remuneration
	Base salary	Fee for participation in Committees	Other benefits	One-year variable	Multi-year variable				
<b>EXECUTIVE DIRECTORS</b>									
<b>Anastasios Kallitsantis</b> CEO	465,997		152					466,149	100% / 0%
<i>ATTIKES DIADROMES S.A.</i>	<i>165,997</i>							<i>165,997</i>	
<i>ATTIKI ODOS S.A.</i>	<i>300,000</i>							<i>300,000</i>	
<i>ELLINIKI TECHNODOMIKI ANEMOS S.A.</i>			152					152	
<b>NON-EXECUTIVE DIRECTORS</b>									
<b>Dimitrios Kallitsantis</b> Vice-Chairman, non-executive director	845,997		11,053	Not variable remuneration is envisaged for non-executive directors of the BoD				857,050	100% / 0%
<i>AKTOR S.A.</i>			<i>11,053</i>					<i>11,053</i>	
<i>AKTOR CONCESSIONS S.A.</i>	<i>200,000</i>							<i>200,000</i>	
<i>ATTIKES DIADROMES S.A.</i>	<i>165,997</i>							<i>165,997</i>	
<i>ATTIKI ODOS S.A.</i>	<i>300,000</i>							<i>300,000</i>	
<i>HELECTOR S.A.</i>	<i>180,000</i>							<i>180,000</i>	
<b>Grand total 2019</b>	<b>1,311,995</b>	<b>0</b>	<b>11,205</b>					<b>1,323,200</b>	

Additionally, the Company provides civil liability insurance to all members of the Boards of Directors and senior executives of the Group companies in Greece and abroad; the number of these persons being 575. Due to the range of powers and, consequently, responsibilities, of the insured persons, it is not possible to properly allocate the relative premium expenditure. The total expenditure for the above provision to all covered board members and senior executives of the Group companies amounted to € 110,457.16 for the 12 months from May 2019 to May 2020.

#### 4. Remuneration in shares and/or options

No remuneration in the form of shares and/or options was paid during the financial year 2019.

#### 5. Use of recovery right

The possibility to recover variable remuneration, as described in the Remuneration Policy, was not used during the financial year 2019.

#### 6. Compliance with the Remuneration Policy

Following a proposal of the Nomination and Remuneration Committee for the range of remuneration of BoD members for the year 2019, the BoD decided the range of each member's remuneration in connection with the Group data and the requirements for consistency and diligence of the directors in the exercise of their duties and always under the terms of the current Remuneration Policy, as presented in Table 4.

**Table 4 – Range of remuneration per position/capacity for 2019** (amounts in €)

Position	(1) Basic remuneration for 8 meetings	(2) Fee per additional meeting (maximum 5)	(3)=(2)*5 Maximum fee for additional meetings	(4)=(1)+(3) Annual fee
<b>Board of Directors</b>				
Chairman	170,000	10,000	50,000	220,000
Vice-Chairman	105,000	7,500	37,500	142,500
Other directors	70,000	5,000	25,000	95,000
<b>Committees</b>				
Chairman of the Audit Committee				Not a member of the BoD
Member of the Audit Committee				7,500
Committee Chairman				10,000
Committee Member				5,000

Please note that as the BoD held 21 meetings in 2019, the maximum fee for additional meetings was paid.

##### 6.1 Executive directors

The BoD has only one executive director, the CEO of the Company. Pursuant to the Policy, and

following the Nomination and Remuneration Committee proposal and the decisions of the BoD, the fixed remuneration of the CEO, except the part concerning the Company's management through participation in the BoD, was set by a specific agreement (employment contract of indefinite duration) pursuant to art. 99 et seq. of Law 4548/2018, taking into account the criteria set by the Policy.

Furthermore, no pension expenses were paid in 2019 as the Company did not proceed to the implementation of such a plan. Instead, there was civil liability coverage through an insurance contract, private health and life insurance, car fuel allowance.

Lastly, neither short- nor long-term incentive plans were set up in 2019.

## **6.2 Non-executive directors**

The fixed remuneration of the Chairman of the BoD, except the part concerning the Company's management through participation in the BoD, included a temporary allowance and benefits (car, fuel allowance, cell phone use), was set by a specific agreement (employment contract with a duration of one year) pursuant to the Policy and following the Nomination and Remuneration Committee's proposal and the decisions of the BoD. Moreover, the Chairman was paid the maximum amount indicated in Table 4 and a fee for chairing the Compliance and Sustainability Committee.

All non-executive directors were paid the maximum amounts listed in Table 4 as well as an additional fee, as appropriate for participation in or chairing a Committee and the Company provided civil liability coverage through an insurance policy and reimbursed the travel and accommodation expenses for attending Board meetings of Mr. Katounas and Mrs. Markaki amounting to €33,709.39 and €11,255.19, respectively.

Lastly, non-executive directors were not paid variable remuneration nor pension benefits, pursuant to the Policy.

## **7. Deviations from the Remuneration Policy**

There were no exceptions to the application of the Remuneration Policy during the financial year 2019.

## **8. Annual changes to remuneration and Company performance**

Table 5 provides data on the annual change in the remuneration of members of the BoD paid by ELLAKTOR only and overall by ELLAKTOR and the other Group companies during the period 2015-2019, the average annual remuneration of the employees of both the Company and the RES segment (excluding managers) and Group performance ratios for the same period. However, it should be noted that:

1. The members of the current BoD were elected by the General Meeting of 25 July 2018 and its current composition is not comparable to the previous in terms of diversity, experience, skills, number of executive and independent directors, participation in Committees;

2. The Company, following the election of the current BoD, made changes in its organisational structure, focusing on strengthening the so-called C-level and further centralization of functions, such as HR, IT, etc.;
3. The Company absorbed the subsidiary company EL.TECH. ANEMOS S.A. in mid-2019 and, therefore, the average gross remuneration not only of the Company's employees but also of the RES<sup>3</sup> segment employees has been calculated for comparability purposes;
4. Performance ratios are based on consolidated financial statements as the Company was a pure holding company until mid-2019 (when it absorbed EL.TECH. ANEMOS S.A.).

**Table 5 – Gross remuneration of the BoD members and employees and performance ratios of the Group**

	2015	2016	2016 vs 2015 (%)	2017	2016 vs 2016 (%)	2018	2018 vs 2017 (%)	2019	2018 vs 2018 (%)	CAGR 2015-2019
<b>GROSS REMUNERATION (amounts in €)</b>										
Gross remuneration of ELLAKTOR BoD members by ELLAKTOR	715,000	715,000	0.0%	735,000	2.8%	700,000	-4.8%	1,082,500	54.6%	10.9%
Gross remuneration of ELLAKTOR BoD members by ELLAKTOR and subsidiaries	3,345,538	3,189,333	-4.7%	2,482,726	-22.2%	2,656,029	7.0%	2,944,495	10.9%	-3.1%
Average gross remuneration of ELLAKTOR and RES segment employees	26,869	27,109	0.9%	29,659	9.4%	34,256	15.5%	30,703	-10.4%	3.4%
<b>GROUP PERFORMANCE (amounts in EUR million) €</b>										
Revenues	1,533	1,942	26.7%	1,866	-3.9%	1,857	-0.5%	1,274	-31.4%	-4.5%
EBITDA	155	151	-2.6%	205	35.8%	143	-30.2%	81	-43.4%	-15.0%
EBIT	29	31	6.9%	102	229.0%	42	-58.8%	-22	-152.4%	n/a
Profit/ Loss before taxes	-54	-38	-29.6%	40	-205.3%	-26	-165.0%	-84	223.1%	11.7%
Profit/loss after tax & minority rights	-106	-122	15.1%	-41	-66.4%	-125	204.9%	-131	4.8%	5.4%

Kifissia, 20 August 2020

The Board of Directors

<sup>3</sup> Renewable Energy Sources