

Clarifications on item 3 of the Agenda regarding the Invitation to the Extraordinary General Meeting of PPC S.A. Shareholders to be held on December 23rd, 2019

ITEM THREE: Approval of:

- a) the remuneration policy of the BoD Members and of the Committees of the BoD, and
- b) the procedure of recruitment and the remuneration policy of the Company's executives.

Pursuant to the provisions of L. 4548/2018, PPC S.A. prepared a Remuneration Policy, which was approved by the no 70/7.6.2019 Decision of the BoD of PPC S.A. and subsequently by the Annual General Meeting of Shareholders held on 27.6.2019.

With L. 4643/2019, special provisions, among others, were introduced regarding the remuneration and the recruitment of executives of the Company and specifically of Deputy Chief Executive Officers (Deputy CEOs), Chief Officers, Directors of the Company's departments and Assistant Directors/Heads of Units.

According to the above Law, the Remuneration and Recruitment Committee proposed to the BoD, subject to the approval of the General Meeting of Shareholders, a) the procedure for the recruitment of abovementioned executives of the Company and b) their remuneration policy, as well as of the members of the BoD and of its Committees.

In order to form its proposal, the Remuneration and Recruitment Committee, took into account, apart from the provisions of L. 4643/2019, the Explanatory Report as well:

1. The best practices for listed companies and specifically the ones described in detail in the relevant document which was sent to PPC from the Hellenic Corporation of Assets and Participations (HCAP) named "Principles and guidelines for remuneration policies of BoD members of the companies included in the profolio of HCAP – August 2019" and
2. the studies of two (2) specialized external advisors [Better Future (October 2018) and KPMG (November 2019), having as a scope of work to define the fair remuneration level for executives and senior managers of PPC S.A., based on the current status in the executives and senior managers labour market in Greece and in the western European energy companies.

With its decision 142 /13.12.2019, the BoD decided to propose to the Extraordinary General Meeting of PPC S.A. Shareholders to be held on December 23rd, 2019 the approval of the Remuneration Policy of the members of the BoD and of its Committees, as well as of the Recruitment Procedure and the Remuneration Policy of the Executives of the Company, as follows:

A. REMUNERATION POLICY

1. For PPC S.A. BoD members, remuneration of € 600 (gross amount) per BoD meeting.
2. For PPC S.A. BoD Committees members, remuneration for the provision of independent services, consisting of (i) gross fixed amount of € 13,000 annually for the Chairman of the Committee and € 11,000 for the Members and (ii) gross remuneration of € 400 per Committee meeting. The maximum amount for aforementioned remunerations will be € 23,000 on an annual basis for both the Chairman and for each Committee member.
3. For the Chairman and Chief Executive Officer (CEO), as well as for Deputy Chief Executive Officers (Deputy CEOs), gross remuneration of € 200,000 and € 120,000 respectively, on an annual basis, and the use of a corporate car including the related expenses.

4. For the Company's General Managers and Directors, gross remuneration of € 100,000 and € 70,000 respectively, on an annual basis, and the provision of the relevant benefits of the permanent personnel of the company, as well as for General Managers, the use of a corporate car including the related expenses.
5. The provision of an additional incentive, in the form of variable gross remuneration which will be associated with short term targets (bonuses) and which may reach up to 50% of the fixed remuneration for the CEO, the Deputy CEOs and the General Managers and up to 30% for Directors. Abovementioned variable gross remuneration will be paid following the announcement of the annual financial results provided that certain targets which will be associated with KPIs linked to the approved annual budget and the financial results of the company are met.
6. The aforementioned executives enjoy the benefits from special private medical insurance and life programmes which are provided to the rest of the permanent personnel as well, while Directors & Officers' liability insurance cover is being provided towards third parties from actions and /or omissions which may arise in the course of exercising their duties.

Remuneration policy, which was approved with no 70/7.6.2019 Decision of the BoD of PPC S.A. and subsequently by the Annual General Meeting of Shareholders held on 27.6.2019 remains in force for the part that is not amended by the aforementioned in the new Remuneration Policy.

It is noted that, in the 2020 Ordinary General Meeting where the remuneration report will be submitted according to L. 4548/2018, additional proposals will be submitted for the provision of specific incentives related to productivity improvement such as, stock option rights for both the managers/executives as well as the employees.

B. RECRUITMENT PROCEDURE

1. The assignment of the positions of the Deputy CEOs, the Chief Officers and the Directors of the Company's Departments is carried out by a Decision of the CEO, following a public call, according to the following procedure:
 - 1.1 The public call will be issued by the CEO or a body authorized by the CEO and will include:
 - the job description
 - the required qualifications
 - the description of the candidate's profile
 - the selection criteria
 - the duration of the contract
 - the basic terms of the contract to be agreed between the Company and the executive
 - 1.2 The public call will be posted on the Company's website and the time for the submission of candidacies is set at least 10 calendar days from the following day of the public call's publication.
 - 1.3 The processing and the administration of the candidacies will be carried out by the Human Resources and Organization Division and the recommendations will be submitted to the CEO by an Evaluation Committee established by a CEO decision, which can be supported by executive recruiting company, if necessary.

- 1.4 The candidacies' evaluation process will include:
- Overview of the applicants' CVs
 - Checking if required qualifications are met
 - Interviewing the candidates, if the Committee deems it necessary
 - An additional evaluation for certain positions if the CEO deems it necessary (such as assessment centers)
2. Especially for the assignment of the positions of Assistant Directors/ Head of Units and up to 20% of the positions of this management level at the date of publication of L. 4643/2019 (3.12.2019) the CEO will decide, based on his judgement following a recommendation by the competent bodies of the Company, for the issuance or not of a public call.
In case a public call is issued, the current procedure is applied, while if this is not the case then an internal procedure, set out by the CEO, is applied. On 3.12.2019, 110 positions of Assistant Directors/ Head of Units existed and therefore 22 of them are eligible for assignment through public call.
3. The Evaluation Committee proposes up to five (5) eligible candidates to the CEO based on its judgement. The CEO decides on the assignment to the position, either by selecting one of the candidates proposed by the committee or by declaring the process void.
4. The renewal of the term of office is done once by a CEO's Decision, following a recommendation of the Committee equivalent to the one that makes the recommendation for the initial assignment of the position. The recommendation mainly takes into consideration the executive's performance according to his/her annual evaluation.
5. The end of term of the above mentioned executives, without a renewal, or the revocation of their duties for whatever reason leads to the termination of their contract with PPC, according to the terms provided for in it, excluding those that belong to the Company's permanent personnel.
The employee status of the Deputy CEOs and the Chief Officers selected by the current procedure and belong to the Company's permanent personnel, following the end of their term of office or the revocation of their duties for whatever reason, is defined according to the Company's Operation Regulation.
The Assistant Directors/ Head of Units and the Directors of the Company's Departments selected according to the current procedure that belong to the Company's permanent personnel, whose the term of office has expired or their duties are revoked for whatever reason are reestablished to the Company's personnel, their employee status is considered that it never ceased and their employee status is defined according to the Company's Operation Regulation.