



ATHEX
Athens Stock Exchange

18ⁿ Annual General Meeting

Of

HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A.

(General Electronic Commercial Registry (GEMI) No 3719101000)
(former Companies Reg. Number 45688/06/B/00/30)

Thursday May 30 2019 @ 18:00

Remuneration Policy

As proposed for approval by the Annual General Meeting on 30.05.2019

Contents

| | | |
|--------|---|----|
| 1. | Introduction | 3 |
| 2. | Remuneration Policy – Implementation Framework | 3 |
| 3. | Remuneration Policy for the Members of the BoD | 3 |
| 3.1. | Non – Executive Members of the BoD | 3 |
| 3.2. | Executive Members of the BoD | 4 |
| 4. | Remuneration Policy for Executives | 4 |
| 4.1. | Basic Principles | 4 |
| 4.2. | Objectives | 5 |
| 4.3. | Design - Review - Supervision of the Remuneration Policy Implementation | 5 |
| 4.4. | Conflict of Interest Policy | 7 |
| 5. | Remuneration components | 7 |
| 5.1. | Total rewards structure | 7 |
| 5.1.1. | Fixed remuneration | 7 |
| 5.1.2. | Variable remuneration | 8 |
| 5.1.3. | Short- Term incentives | 9 |
| 5.1.4. | Fixed and Variable remuneration ratio | 9 |
| 5.1.5. | Fringe Benefits..... | 9 |
| 5.1.6. | Severance Pay | 10 |
| 5.1.7. | Voluntary Termination Scheme..... | 10 |
| 5.1.8. | Special Retirement Scheme for Executives | 10 |
| 5.2. | Malus and Clawback | 10 |
| 6. | Application at Group level | 11 |
| 7. | Effective date | 11 |
| 8. | Annex I | 12 |
| 9. | Annex II | 12 |

1. Introduction

The Company «HELLENIC EXCHANGES - ATHENS STOCK EXCHANGE S.A. (ATHEX)» (hereinafter called the «**Company**») establishes the basic principles and rules in relation to the remuneration of the Members of the Board of Directors (BoD) and the Executives of the Company (hereinafter called the «**Remuneration Policy**») that contribute to the corporate strategy, the long-term interests and sustainability of the Company.

The scope of the Remuneration Policy, is to maximize corporate value, through a culture of continuous improvement, development, high performance and commitment to the achievement of goals and the interests of all stakeholders. The Remuneration Policy sets the guiding principles that the Human Resource Management Division should bear in mind during the implementation of the remuneration strategy of the Group.

This document, describes the Remuneration Policy adopted and approved by the Company in compliance with the prevailing institutional and regulatory framework in Greece including the Law 4548/2018 for Societe Anonyme, the Law 3016/2002 for Corporate Governance and its best practices.

2. Remuneration Policy – Implementation Framework

In compliance to Article 110 of Law 4548/2018, this Remuneration Policy is established and applied for the Members of the BoD and the Executives of the Company (CEO, General Managers). With relevant statutory provisions the Remuneration Policy applies and is extended, in line with Article 110 (1) of Law 4548/2018, to Executive members of the Company, as these are stated in the international Accounting Standard 24 (9), since these Executives contribute in the long-term success of the Company.

More specifically, the implementation framework of the Remuneration Policy includes the following individuals that have the authority and the responsibility to design, manage and control the activities of the Company, directly or indirectly:

A. Members of the BoD

B. The following individuals (hereinafter called as “**Executives**”)

1. Senior Executives (C-Suite) (CEO, General Managers)
2. Top Management (Directors & Heads of Units)
3. Head of Risk Management

3. Remuneration Policy for the Members of the BoD

3.1. Non – Executive Members of the BoD

The remuneration of the Non-Executive Members of the BoD is approved by the General Meeting and is in line with the time dedicated in BoD meetings and their contribution to various Committees.

The Non-Executive Members of the BoD receive a basic annual fee for their participation as members of the BoD, the time devoted in meetings of the BoD and in the execution of duties assigned to them.

The Non-Executive Chairman receives a basic annual fee for the execution of his/her role.

An additional fixed amount for supplementary responsibilities, such as the chairmanship and the participation in Committees, which is approved by the General Meeting, is paid to the Non-Executive Members of the BoD.

The remuneration of the Non-Executive Members of the BoD is paid in cash and is subject to the prevailing tax and social security deductions. The time commitment and the active participation of the member in the BoD & Committee meetings is taken into account when calculating the fee.

The Non-Executive Members do not participate in any other plan such as retirement, fringe benefits, long-term incentives, annual bonus or performance-related bonus, stock option or other equity-based plans.

3.2. Executive Members of the BoD

The Executive Members of the BoD who hold executive positions in the Company do not receive any remuneration, whatsoever, for their participation in the BoD. Their remuneration is covered under the provisions of the Remuneration Policy for the Executives. Presently, the Company, holds contracts with two Executive Members of the BoD.

The basic principles of the two contracts, in line with Article 111(1) (ζ) of Law 4548/2018, are the following:

| BoD Member | Contract duration | Notice period | Retirement | Terms of Termination of Employment Contract | Compensation for Employment Contract Termination |
|--|----------------------------|---|--|---|---|
| Chief Executive Officer Executive Member of the BoD | Indefinite period of time | Executive: 45 days' notice. Company: In line with the prevailing labor legislation | In line with the prevailing labor legislation | Company: Termination of the employment contract for a significant reason. Executive: In writing, for a significant reason and 45 days prior to the date of termination. | The Company is obliged to compensate the Executive in line with the prevailing labor legislation. |
| Executive Member | Indefinite period of time. | In line with the prevailing labor legislation. | In line with the prevailing labor legislation. | Company: Termination of the employment contract in line with the prevailing labor legislation. Executive: Voluntary termination of employment contract in writing, in line with the notice period as determined by the prevailing labor legislation. | The Company is obliged to compensate the Executive in line with the prevailing labor legislation. |

4. Remuneration Policy for Executives

4.1. Basic Principles

The Company adopts a compensation and benefits framework in order to attract, motivate and retain competent, specialized and effective Executives. The Remuneration Policy is based on principles like:

- Maximization of performance
- Pay Equity & Equal Pay
- Transparency
- Fairness
- Alignment of reward with profitability, risk, capital sufficiency and sustainable growth
- Competitiveness

The Remuneration Policy is based on the concept of Total Rewards¹ and promotes sound and effective risk management while being linked to business goals, values, culture, long-term interests and measures taken to manage effectively conflicts of interest or excessive risk taking.

The Remuneration Policy is linked to the Human Resources Policy through the systems of:

- Performance Management, which includes the achievement of financial and non-financial objectives on an annual basis (short-term goals) and the achievement of long-term strategic goals of the Company
- Attraction, Selection & Retention of Executives
- Career & Development Management
- Talent Management

For the determination and the effective implementation of the Remuneration Policy the following components are considered:

- Job Family (e.g. IT, Operations etc.)
- Job Evaluation (on axes such as: Technical expertise, Level of Responsibility, Reliability, Problem solving)
- Existing organizational structure and hierarchical levels
- Official and essential qualifications of the Executives
- Remuneration levels in the wider labor market (as derived from relevant Compensation & Benefits surveys)
- Compensation and working conditions of the Executives
- Results of the annual performance evaluation (Quantitative and Qualitative Criteria)

4.2. Objectives

The Remuneration Policy aims to:

- Comply with the applicable institutional, regulatory and supervisory framework
- Ensure a sense of Fair Reward, Commitment and Reward for sustainable growth
- Attract, motivate and retain Executives
- Identify the interests and needs of Executives with those of the Shareholders
- Ensure competitiveness of remuneration and provide appropriate incentives that create value for the Shareholders, while at the same time set the basis for creating value for the Company and the Group for the benefit of all stakeholders (Shareholders, Management, Employees, Customers, Society)

4.3. Design - Review - Supervision of the Remuneration Policy Implementation

The BoD Nomination and Remuneration Committee (hereinafter the “**Remuneration Committee**”) proposes and presents to the BoD the content of the Remuneration Policy and its revisions to be submitted for approval to the General Meeting.

The Remuneration Committee provides the guidelines for the design, structure and internal implementation of the remuneration policy and oversees periodically its implementation. When setting up the guidelines, the Remuneration Committee takes into account the Company’s strategy and business objectives, the economic and capital market conditions and the needs highlighted by the executive management and the Human Resources Division respectively.

The Human Resources Division designs the content of the Remuneration Policy, following the above guidelines by coordinating the contribution of each of the Regulatory Compliance, Corporate Governance, Risk

¹ Total Rewards refers to a total remuneration package that includes: Fixed Base Salary, Benefits, Variable Short-term Incentives and Long-Term Incentives.

Management, Internal Audit and Finance Divisions, in order to ensure the Remuneration Policy's alignment and consistency with any limitations and guidelines which fall or are under the responsibility and control of these Divisions.

The Human Resources Division prepares an annual report to the Remuneration Committee with advice and suggestions for the amendment of the Remuneration Policy, providing comparative information and market trends for the Company's Executives. In this report, the Human Resources Division also incorporates comments from the Regulatory Compliance, Corporate Governance, Risk Management, Internal Audit and Finance Divisions resulted from the Remuneration Policy's implementation, regulatory changes and best practices adopted in the market. The Human Resources Division prepares and submits to the Remuneration Committee an annual report for the allocation of fees paid in the previous year as extraordinary remuneration as well as the respective criteria applied.

The Remuneration Committee reviews annually the Remuneration Policy, with regards to its compliance with the policies and procedures adopted by the BoD. The Remuneration Committee ensures that, when assessing the mechanisms adopted for the risk alignment of the Remuneration Policy, all types of risks, liquidity and capital adequacy of the Company are taken into account and it proposes corrective actions if it finds implementation weaknesses and/or deviations of the Remuneration Policy.

The Remuneration Committee proposes also the total variable remuneration amount for the BoD, which in turn decides on the exact amount allocation between short-term and long-term fees.

The variable remuneration of the CEO is proposed to the Remuneration Committee by its Chairman and submitted for approval to the BoD and then to the General Meeting.

The variable remuneration of the rest executive members of the BoD and of the Internal Audit, Risk Management and Regulatory Compliance Heads are proposed to the Remuneration Committee by the CEO and submitted for approval to the BoD and then submitted, if required, for approval to the General Meeting.

The variable remuneration is paid to the other Executives under the responsibility of the CEO within the limits of the Remuneration Policy.

The Remuneration Committee is also responsible for monitoring the implementation and periodic review of the Remuneration Policy in a manner that respects the transparency and corporate governance principles and informs the BoD accordingly.

The implementation of the Remuneration Policy is subject to a central and independent internal control at least once a year with respect to its compliance with the applicable remuneration policies and procedures. The Internal Auditor of the Company, who enjoys full independence in the performance of his / her duties, is responsible for this audit and evaluation.

The Remuneration Policy is submitted for approval to the General Meeting every time there is a material change in the conditions, under which the Remuneration Policy was approved, and in any case every four (4) years after its last approval. Any other remuneration or benefit to the members of the BoD shall be borne by the Company only if approved by a special decision of the General Meeting.

In exceptional circumstances, the BoD may decide a temporary deviation from the approved Remuneration Policy, provided that the deviation is necessary for the Company's long-term interests and/or viability. The deviation may apply either to the Executives' fixed or variable remuneration.

In the event of derogation, the Executives' remuneration shall be borne by the Company only after special approval of the General Meeting.

4.4. Conflict of Interest Policy

The Company applies measures to avoid conflict of interests and takes actions to manage conflicts or possible conflicts of interests, in line with the Conflict of Interest Policy which includes, inter alia, the description and the assessment of the incident, and depending on the incident's importance provides for:

- The withdrawal, of persons involved, from participating in discussions and decision making processes (e.g. voting) relevant to the incident
- The exclusion from participating in committees or work teams related to the incident
- The access restriction of the persons involved in confidential information related to the incident
- The assignment of duties of the person involved to another person.

5. Remuneration components

The Remuneration Policy covers all remuneration paid to Executives, namely: fixed remuneration, variable remuneration, fringe benefits and severance paid by the Company in the case of the retirement of an Executive.

5.1. Total rewards structure

Total rewards include fixed and variable components to ensure that remuneration is linked to short- and long-term operational effectiveness (excluding specific roles / positions related to risk management, internal audit and compliance). These components are:

- **Fixed remuneration:** Remuneration not related to the performance of the Executives
- **Variable remuneration:** Additional extra remuneration in the form of an annual bonus or long-term incentives. The objective of variable remuneration is to reward extra effort and over performance, the performance of the Executives and the Company, or obligations arising from specific contractual terms. Variable remuneration is designed to motivate Executives as well as increase productivity and competitiveness, and is linked both to short-term individual and team goals and long-term strategic goals.
- **Fringe benefits,** are paid to Executives and their families based on the general company remuneration policy and do not provide incentives for risk taking. These benefits are considered to be voluntary and do not form part of variable remuneration of the Remuneration Policy.

The remuneration of Executives in the independent audit functions is mostly fixed in order to reflect the nature of their responsibilities. The method used to determine the variable remuneration in these functions is not based on the financial results and performance of the business segments they audit. Variable remuneration is based on clear criteria that have been formulated based on the objectives of their audits and the financial results of the Company.

5.1.1. Fixed remuneration

The fixed remuneration of Executives represents the significantly higher proportion of their total rewards so that a fully flexible variable remuneration policy can be implemented, including the possibility of non-payment. Given this, it is evident that non-payment of variable remuneration does not create a problem for Executives to maintain their standard of living.

In order to attract and retain Executives who have the characteristics (skills, experience, attitudes) needed by the Company, fixed remuneration should be competitive. This competitiveness is ensured by monitoring annual Compensation & Benefits surveys of the financial services sector and the Greek labor market.

The fixed remuneration of Executives is determined based on the following elements:

- Academic background
- Prior experience

- Range of responsibility of the position
- Potential for further development
- The weight of the position on the labor market. The remuneration applicable to Executives who do similar work
- The responsibilities and functional requirements of the position
- Internal equity
- The need to retain people with skills and professional abilities
- Broader economic environment in Greece
- Annual company budget
- Labor legislation
- Specific terms of individual employment contracts

The scope is to ensure that the level and structure of remuneration serve the basic principles of the Remuneration Policy (such as maximizing performance, equity and competitiveness) while promoting the long-term viability of the Company. This remuneration is a function of both performance and potential of the Executives, as well as a function of the remuneration of similar positions, roles and specializations of the local financial services sector and other similar companies, as reflected in relevant Compensation & Benefits surveys. The aim is to attract high caliber Executives, which will remain and evolve in the Company, ensuring succession and covering key and important positions.

Higher remuneration may be configured for Executives with specialized roles of major importance for the operation and development of the Company, or for Executives that demonstrate instances of outstanding experience and highly evaluated performance.

5.1.2. Variable remuneration

Provided that specific corporate profitability goals are achieved, the BoD may, upon the recommendation of the Remuneration Committee, propose the payment of variable remuneration as an incentive for higher performance. The stated objectives can be defined and reviewed annually in relation to the annual Company budget and business plan, in line with the proposed scheme set out in Annex I.

The above reward is based on the assessment of Executives' performance, of the rate at which they achieve their individual objectives in combination with team performance at Unit, Function and / or Company level, and based on the general principles set by the regulatory framework, the current legislative framework as well as the basic Corporate Governance principles. The above incentives are paid through payroll (as cash payments) or as an extraordinary Company fee / contribution for Executives' participation in professional insurance programs (e.g. Group pension plan).

For the payment of variable remuneration, the following are taken into account:

- a) Quantitative and qualitative criteria relating in particular to the Executives' performance evaluation, their actions and targets achievement, effective staff reshuffling in line with current needs, modernization and restructuring of procedures, indicatively:
 - Annual Budget vs Actual
 - Percentage of achievement of individual or group objectives (80/120)
 - Anonymous 360° feedback or upward evaluation
 - Annual (individual or/and group) performance evaluation
 - Employee satisfaction and engagement survey results
- and
- b) Cases that trigger malus and clawback adjustments and apply to all Executives that have a substantial impact on the Company's risk profile.

Short- Term incentives

The BoD may decide to provide as a short-term incentive a variable annual bonus as a reward for personal effort, combined with team performance and collective effort at either Division or Unit level as well as between different Divisions or Units under the following conditions:

1. The improvement of the operational effectiveness of the Company's main regulatory activities
2. The effective integration of institutionally identified necessary changes into the services provided
3. The efficient development of products and services that interest and serve the needs of the capital market
4. The effective management of emerging crises
5. The profitability of the Company
6. The incorporation of financial misfires that trigger the malus and clawback adjustments.

The above annual bonus is allocated to Executives based on quantitative and qualitative criteria, according to the rate of achievement of the objectives set and the annual performance appraisal.

Long-term incentives

By decision of the BoD, following the recommendation of the Remuneration Committee, a long-term incentive may be given as a deferred cash bonus:

Deferred cash bonus

Deferred bonus is an alternative long-term incentive program, which is stated as a percentage of the net profits of a particular financial year and paid a few years later (3 to 5), provided that the Executive continues to be employed by the Company. The amount of the deferred bonus may be related to the Company's financial performance during the postponement, for example return on capital employed (ROCE) or earnings after tax minus cost of capital (EVA – Economic Value Added).

5.1.3. Fixed and Variable remuneration ratio

The ratio of fixed and variable remuneration is in line with risk management. The Company manages and controls responsibly and effectively the risk arising from the implementation of the Remuneration Policy, so that any potential risk is identified and addressed directly and substantially. In addition to the restrictions set out in Annex I and applied cumulatively:

- Annual variable remuneration may not exceed 100% of the fixed remuneration of the same year.
- The General Meeting of the Company may approve a higher ratio of fixed and variable remuneration, provided that the total amount of variable remuneration does not exceed 200% of the fixed remuneration of each Executive. The General Meeting approves the highest ratio on the basis of a detailed recommendation of the BoD stating the reasons and scope of the intended approval, including the number of employees concerned, their duties and the expected impact on the Company's profitability.

5.1.4. Fringe Benefits

The Company provides to the Executives (as well as to all the staff members) the following fringe benefits:

- Group Medical plan
- Group pension plan (Professional Insurance Fund)
- Summer Camp for employees' children
- Child care
- Gift vouchers for children
- Food vouchers
- Employee Assistance Program

- Athletics and other wellbeing activities
- Company cars (for Executives)
- Mobile phone program
- Directors & Officers Liability Insurance

5.1.5. Severance Pay

In the case of non-voluntary termination of the employment contract of indefinite period of time, the company applies the prevailing labor legislation provisions for the payment of the relevant severance pay.

5.1.6. Voluntary Termination Scheme

The BoD, following the proposal of the Remuneration Committee, may decide to apply, subject to specific provisions, a voluntary termination scheme for Executives, in terms that are decided upon according to the current business needs.

5.1.7. Special Retirement Scheme for Executives

By the decision of the BoD and following the proposal of the Remuneration Committee, the Company may introduce a special retirement scheme for Executives at the time of their retirement, as a recognition and reward for their long-term contribution, with proven satisfactory results. For this purpose, the Company, subject to the financial results, of each financial year and the future business prospects, may decide to contribute ad hoc payments to the Professional Insurance Fund for its Executive members up to 10% of their total annual remuneration, as per scheme shown on Annex II.

5.2. Malus and Clawback

The BoD may decide to apply malus or clawback adjustments up to 100% of the variable pay, regardless of the method used for the payment, including deferral or retention arrangements. When setting the criteria for the application of malus and clawback provisions a period for which the malus and clawback will be applied is also set and it covers, at least, the deferral and retention periods.

The criteria include:

- Evidence of misconduct or serious error by the Executive that resulted in:
 - Financial loss or damage ≥ 5.000 euro per case
 - Subsequent downturn of the Company's financial performance (business indicators)
 - Significant negative impact or damage in the Company's fame and brand
 - Penalties due to compliance failures or regulatory sanctions due to Executive's misconduct or inappropriate behavior.
- In case that the Company's financial position is deteriorating significantly, particularly in the cases where the viability is at risk, the payment of variable pay is partially or totally revoked. Similarly, this also applies in the case that the minimum capital adequacy is below the annual target.
- In case the percentage of target achievement by unit/division per annum is negative, then for that specific year, there is a possibility of abolishment of the payment of the deferred variable pay.
- If the level of individual performance of an Executive is rated as unsatisfactory, then following the proposal of the CEO and the decision of the BoD, there is a possibility of cancellation of the payment of the deferred variable pay of the year under evaluation.
- Additionally, in case it is verified, retrospectively, that the reasons that led to the payment or the allocation of variable rewards to the Executive was erroneous, then the payment of the total amount of the deferred rewards that were initially accounted for, may be abolished.

The malus adjustments may apply at the time of the allocation of the deferred rewards, whilst for the return of the rewards (Clawback) the Company may enforce the adjustments after the payment or the allocation of the variable pay. This process results in the reduction of the amount of variable remuneration.

In case of an Executive's retirement or death, the next instalment of the deferred remuneration is paid to the retired Executive after the departure or to his/her legitimate beneficiaries.

Clawback

In case the Company has provided variable remuneration to an Executive as a result of misleading by deceit or other equally serious cause, the BoD may take all legal means to enforce cancellation or clawback of any short-term or long-term variable pay that has been implemented.

The aim of deferral and retention periods and clawback provision, is to associate variable remuneration with long term performance, and not just annual performance.

6. Application at Group level

The principles of this Remuneration Policy are incorporated into the remuneration policy of all the Company's subsidiaries.

7. Effective date

The Remuneration Policy comes into effect after the approval of the General Meeting and will remain in effect for the financial years 2019-2021, unless the General Meeting decides to amend it during this period.

8. Annex I

| Maximum height of annual variable remuneration for all Executives | | | | | | |
|---|--------------------------------------|------------|-----------------------------|---|---|---|
| | 1 | | 2 | 3 | 4 | 5 |
| % | Range of Group net profitability (€) | | Additional variable pay (€) | maximum cumulative variable remuneration (short term και long term) (€) | short-term remuneration may not be greater than column 3 by the following percentages | Executive variable remuneration will not exceed the percentages provided below by the Group in the current year |
| | 3,000,000 | 5,000,000 | 500,000 | 500,000 | 60% | 50% |
| 5.00% | 5,000,000 | 10,000,000 | 250,000 | 750,000 | 55% | 55% |
| 7.50% | 10,000,000 | 15,000,000 | 375,000 | 1,125,000 | 50% | 60% |
| 10.00% | 15,000,000 | 20,000,000 | 500,000 | 1,625,000 | 45% | 65% |
| 12.50% | 20,000,000 | | | | 40% | 70% |

9. Annex II

| Provisions for additional contributions to the special retirement scheme | | |
|--|---|---------------------------|
| Group Net Earnings | Additional annual contribution per person | Maximum Group Expense (€) |
| Up to € 3 m. | 2% of annual fixed remuneration | 60,000 |
| Up to €10 m. | 4% of annual fixed remuneration | 120,000 |
| Up to €15 m. | 6% of annual fixed remuneration | 180,000 |
| Over € 15 m. | 6% of annual fixed remuneration | 240,000 |
| 50% increase for more than 10 years in a similar position in the Group | | |