

Remuneration Report of the members of the Board of Directors of REDS for the financial year 2020

1. Introduction

This Remuneration Report ("Report") of the members of the Board of Directors ("BoD") of REDS ("Company") was approved by the Company's BoD by virtue of its decision dated 07/06/2021, checked for completeness by the Company's auditor and submitted for discussion to the Annual General Meeting of the Company's shareholders held on [•].

The Report was prepared in accordance with the EU shareholder rights directive (SRD II)¹, as incorporated in Greek law 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 2nd Report of its kind, which describes the manner of implementation of the Remuneration [Policy of the Company's BoD \("Policy"\)](#), submitted to the Annual General Meeting of the Company on [•] and has been posted on the Company's website www.reds.com and includes the wages, the remuneration of the members of the BoD, as well as any allowances or benefits of each members 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 2020

The following significant events took place in 2020:

The segment's main activity for this fiscal year too was the operation of the retail shopping 'Smart Park', in Yialou, Spata, Attica.

For the financing needs of the new expansion, the subsidiary company and owner of "Smart Park" YIALOU EMPORIKI & TOURISTIKI SA signed a common bond loan agreement on 14/5/2020, with bondholders being the National Bank of Greece and Piraeus Bank by an amount of up to €41.5 million (36.5 million +5 million VAT), which includes the refinancing of the existing loan amounting to €15.3 million.

With regard to properties owned by the Group in Romania, the Board of Directors is reviewing factors affecting their utilisation.

¹ 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.

Key figures of the Group's income statement

amounts in €	GROUP	
	1/1-31/12/2020	1/1-31/12/2019
Turnover	6,501,090	6,872,493
EBITDA	4,035,557	3,039,333
Operating results (EBIT)	2,265,035	1,566,302
Profits /(losses) before taxes	726,221	360,599
Profit /(losses) after taxes	115,321	(59,949)

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 stable remuneration.

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

Type of remuneration	How it works	Maximum and how it links to performance
Fixed remuneration	Reviewed annually. It is structured consistently with the remuneration of non-executive BoD members It is determined taking into account the fixed salary levels of other major companies of a similar size for posts with a similar object and responsibilities, performance, position, the responsibilities and experience of the individual, the performance and wage developments of the Company, etc.	Increases are expected to be determined in accordance with the relevant remuneration market. There is the possibility of larger increases in cases of extended competence or experience. The grades should be reviewed taking into account the performance of the individual and of the Company.
Retirement allowance	A defined pension contribution plan is envisaged.	Maximum contribution of the Company: up to 10% of the fixed salary.
Civil liability insurance	Civil liability insurance is provided.	Maximum compensation: € 10 mil. per claim.
Other benefits	Private health and life insurance, car, fuel allowance, etc.	There is no maximum level of benefits
Short-term incentive program (STIP)	At the beginning of the year, the NRC ² establishes performance measures and their weightings for the STIP; at the end of the year, it evaluates performance. 70% of any amount obtained is paid in cash. The payment of 30% is deferred for two years and is made in cash or in shares entitling to dividend equivalents at the date of vesting. Payments under the STIP are subject to recovery for at least 3 years from the payment in case of specific events.	Performance measures include financial and non-financial measures (80%) and individual performance (20%). Ceiling: 150% of the basic annual salary. 100% yield: variable fee equivalent to at most 50% of the annual variable remuneration. Minimum % yield: variable fee equivalent to at most 25% of the annual variable remuneration. Failure to achieve acceptable performance: no variable remuneration.

² Nomination and Remuneration Committee.

Long-term incentive program (LTIP)	<p>Rolling Share Acquisition Plan with a maturation period of at least 3 years with a mandatory two-year vesting period.</p> <p>Performance measures and targets are set at the beginning of each maturation period.</p> <p>The Committee may adapt the measures and weights for future plans. Essential changes shall be subject to prior consultation with the shareholders.</p> <p>Payments under the LTIP are subject to recovery for at least 3 years from the payment in case of specific events.</p>	<p>Vesting/maturation requirements: meet specific criteria on the share price and/or financial performance measures established by the NRC. For the 2020 plan, the criteria are: adjusted earnings per share, weighted 50% and return on capital employed (ROCE) weighted 50%.</p> <p>Ceiling: 150% of the basic annual salary which exceptionally may reach 200%.</p> <p>The minimum acceptable performance guarantees 25% of the benefit. The maximum performance guarantees 100% of the benefit.</p>
Guidelines on holding shares	<p>Vesting of some or all of the shares acquired under the annual variable remuneration and LTIP (after tax) until the requirement for holding shares is reached.</p>	<p>They must obtain and maintain shares equal to at least to 200% of the fixed remuneration over two years.</p>

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

Structure and payment of remuneration	Fixing remuneration level
<p>Fees</p> <p>Fixed fees to cover eight (8) meetings are paid. Additional fees paid for additional meetings with the maximum number of meetings set at five (5).</p> <p>An additional fee is paid for participating in or chairing Committees.</p> <p>Not variable remuneration or pension benefits are provided.</p> <p>Civil liability insurance</p> <p>Civil liability insurance is provided.</p> <p>Expenses</p> <p>They include but are not limited to: travel and accommodation expenses for attending a Board meeting, participation in training programs, purchase reading material.</p> <p>Payment procedure and control</p> <p>They are paid on a monthly basis or at other regular intervals within the relevant financial year.</p>	<p>The ceiling is determined by the BoD on the recommendation of the NRC.</p> <p>The reference market: companies with similar capitalisation, revenue, profits, complexity, international presence, etc.</p> <p>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 members of the Board of Directors

The following tables contain remuneration of all types paid to members of the BoD by REDS 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 REDS by type of remuneration; Table 3 shows, for each member of the BoD, the total remuneration by Group company except REDS 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 REDS.

The individual fields of the tables contain the following information:

Type of remuneration	Content
1. Fixed remuneration	<p>Basic remuneration: 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 expenses: 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>
2. Variable remuneration	<p>Performance within the year: remuneration based on the short-term incentive program</p> <p>Performance in subsequent years: remuneration under the long-term incentive program, which matured in the specific financial year.</p>
3. Extraordinary remuneration	Non-recurring remuneration or allowances, such as retention bonus, severance compensation, relocation allowance, non-competition clause compensation, etc.
4. Retirement allowance	The Company's contribution to the pension plan.
5. Total remuneration	The sum of remuneration under Nos. 1,2,3 and 4.
6. Proportion of fixed/variable remuneration	Remuneration under No. 1 is 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.

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Table 1 - Total remuneration of members of the BoD by REDS Group companies (amounts in €)

position and other properties	Fixed remuneration			Variable remuneration		Extraordinary remunerations	Retirement allowance	Total remunerations	Ratio of fixed/ variable remuneration
	Basic remuneration	Fee for participation in Committees	Other benefits	Performance within the year	Performance in subsequent years				
EXECUTIVE DIRECTORS									
Ioannis Moraitis President and CEO			18.133					283.115	100% / 0%
REDS SA	264,982		18.133						
NON-EXECUTIVE DIRECTORS									
Gerasimos Georgoulis Non-executive director	30,000 30,000		0	No variable remuneration is foreseen for the non-executive members of the BoD.				30,000 30,000	100% / 0%
Christos Panagiotopoulos Non-executive director	0		0					0	100% / 0%
Antonios Chatziioannou Non-executive director Member of the NR Committee*	0		0					0	100% / 0%
Theodoros Xenidis Non-executive director	89,171		5,566					94,737	100% / 0%
YIALOU EMPORIKI & TOURISTIKI SA	89,171		5,566					94,737	
Theodoros Pantalakis Independent, non-executive director Member of the EC* -Chairman of the NR Committee*	0		0					0	100% / 0%
Panagiotis Sofiadis Independent, non-executive director Member of the EC* Member of the NR Committee*	0		0					0	100% / 0%
Grand total 2020	384.153		23.699					407.852	

(*) AC: Audit Committee, NR Committee: Nomination and Remuneration Committee

Table 2 - Total remuneration of members of the BoD by REDS S.A. (amounts in €)

Name of member position and other properties	-1 Fixed remuneration			-2 Variable remuneration		-3 Extraordinary remunerations	-4 Retirement allowance	-5 Total remuneration	-6 Ratio of fixed/variable remuneration
	Basic remuneration	Fee for participation in Committees	Other benefits	Performan ce within the year	Performance in subsequent years				
EXECUTIVE DIRECTORS									
Ioannis Moraitis President and CEO	264,982		18.133					283.115	100% / 0%
REDS SA	264,982		18.133						
NON-EXECUTIVE DIRECTORS									
Gerasimos Georgoulis Non-executive director	10,000 10,000		0 0	No variable remuneration is foreseen for the non-executive members of the BoD.				10,000 10,000	100% / 0%
Christos Panagiotopoulos Non-executive director	0		0					0	100% / 0%
Antonios Chatziioannou Non-executive director Member of the NR Committee*	0		0					0	100% / 0%
Theodoros Xenidis Non-executive director	0		0					0	100% / 0%
Theodoros Pantalakis Independent, non-executive director Member of the EC* -Chairman of the NR Committee*	0		0					0	100% / 0%
Panagiotis Sofiadis Independent, non-executive director Member of the EC* Member of the NR Committee*	0		0					0	100% / 0%
Grand total 2020	274.982		18.133						

(*) AC: Audit Committee, NR Committee: Nomination and Remuneration Committee

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

Member's full name position and other properties	-1			-2		-3	-4	-5	-6
	Fixed remuneration			Variable remuneration					
	Basic remuneration	Fee for participation in Committees	Other benefits	Performance Within the year	Performance in subsequent years			Total remunerations	Ratio of fixed/ variable remuneration
EXECUTIVE DIRECTORS									
Ioannis Moraitis President and CEO	0		0					0	100% / 0%
NON-EXECUTIVE DIRECTORS									
Gerasimos Georgoulis Non-executive director	20,000		0	No variable remuneration is foreseen for the non-executive members of the BoD.				20,000	100% / 0%
Christos Panagiotopoulos Non-executive director	0		0					0	100% / 0%
Antonios Chatziioannou Non-executive director Member of the NR Committee*	0		0					0	100% / 0%
Theodoros Xenidis Non-executive director	89,171		5,566					94,737	100% / 0%
YIALOU EMPORIKI & TOURISTIKI SA	89,171		5,566					94,737	
Theodoros Pantalakis Independent, non-executive director Member of the EC* -Chairman of the NR Committee*	0		0					0	100% / 0%
Panagiotis Sofiadis Independent, non-executive director Member of the EC* Member of the NR Committee*	0		0					0	100% / 0%
Grand total 2020	109.171		5,566						

(*) AC: Audit Committee, NR Committee: Nomination and Remuneration Committee

Additionally, the Company provides civil liability insurance to all members of the Boards of Directors and executives of the Group companies in Greece and abroad. Due to the range of powers and, consequently, responsibilities, of the insured parties, it is not possible to uniformly contribute the relative premium expenditure. The total expenditure for the above provision to all covered board members and executives of the Group companies amounted to € 23,577.01 for the 12 months from January 2020 to December 2020.

4. Remuneration in shares and/or options

No remuneration in the form of shares and/or options was paid during the financial year 2020.

5. Use of clawback

The possibility to claw back variable remuneration, as described in the Remuneration Policy, was not used during the financial year 2020

6. Compliance with the Remuneration Policy

6.1 Executive directors

The Board of Directors within 2020 had one executive member, the President and the Managing Director of the Company. In implementation of the policy and of the decisions of the Board of Directors, the Chairman's and Managing Director's fixed remuneration was established by a specific agreement (employment contract of indefinite duration), by taking into account the relevant criteria laid down in the Policy.

Furthermore, no retirement allowance was paid in 2020 as the Company did not to implement this plan. Instead, there was civil liability coverage through an insurance contract, private health and life insurance, car fuel allowance.

Lastly, no short-or long-term incentive plans were set up in 2020.

6.2 Non-executive directors

Non-executive members were not paid fixed remuneration for their participation in the BoD.

Furthermore neither variable remuneration nor pension benefit were paid, pursuant to the Policy.

7. Deviations from the Remuneration Policy

During the year 2020 there were no deviations from the Remuneration to be approved by the Policy Annual General Meeting.

8. Annual changes to remuneration and Company performance

Table 5 provides data on the annual change in the remuneration of members of the BoD both of REDS SA and overall in REDS SA and the other Group companies during the period 2016-2020, the average annual remuneration of the employees of the Company and performance ratios for the same period. However, it should be noted that:

- The members of the Board which was valid until the end of the year 2020 were elected by the General Meeting of Shareholders on July 11, 2019.
- Remuneration policy for members of the BoD was first adopted in 2020,
- Performance ratios refer to consolidated financial data

	2016	2017	2017 vs 2016 (%)	2018	2018 vs 2017(%)	2019	2019 vs 2018 (%)	2020	2020 vs 2019 (%)	CAGR 2016 2020
GROSS EARNINGS (amounts in €)										
Gross remuneration of directors of REDS SA by REDS SA	265,741	263,104	-1.0%	263,104	0.0%	265,040	0.7%	274,982	3.8%	0.0%
Gross earnings of members of the REDS SA BoD by REDS SA and subsidiaries	88.354	84.425	-4.4%	84.425	0.0%	84.424	0.0%	109.171	29.3%	-1.2%
Average gross earning of REDS SA staff	46.837	43,492	-7.1%	59,588	37.0%	58,476	-1.9%	58,798	0.6%	8.3%
GROUP PERFORMANCE (amounts in EUR million) €)										
Turnover	6,366	6,325	-0.6%	6,552	3.6%	6,872	4.9%	6,501	-5.4%	0.5%
EBITDA	3,123	2,105	-32.6%	5,581	165.1%	3,039	-45.5%	4,036	32.8%	6.6%
EBIT	1,858	845	-54.5%	4,250	403.0%	1,566	-63.1%	2,265	44.6%	5.1%
Profit/ Loss before taxes	-162	-913	464.45%	2,722	-398.1%	361	-86.8%	726	101.4%	n/a
Profit/loss after tax & minority rights	-789	-1,515	92.1%	1,544	-201.9%	-60	-103.9%	115	-292.4%	n/a

Kifissia, 07/06/2021

The Board of Directors