

# Statement of Corporate Governance

This Statement constitutes a special part of the Management Report, in accordance with articles 152 and 153 of Law 4548/2018 and relates to the following sections.

## 1. Compliance of the company with the UK Corporate Governance Code 2018

MYTILINEOS S.A. (the "Company") as of 01.01.2019, following a relevant resolution of the Company's Board of Directors on 15.11.2018, aiming at ensuring transparency and responsible operation in all areas of its activity, voluntarily adopted the UK Corporate Governance Code -2018 (the "Code"), <https://www.mytilineos.gr/en-us/corporate-governance-code/presentation>. The Code is posted on the Company's website and on the website of the Financial Reporting Council, UK <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>. According to the Decision No 2/925/28.07.2021 of the Board of Directors of the Hellenic Capital Market Commission, the Financial Reporting Council is an acknowledged body for the adoption of a corporate governance code pursuant to Article 17 of the Law 4706/2020 on corporate governance.

Based on the highest international standards of entrepreneurship, the Company strives for closer engagement with its investors, with the ultimate aim of unlocking further value for its shareholders. Drawing on the best corporate governance practices, the Company formulates its strategy and develops the general directions, policies, values and principles that govern its operation, while ensuring transparency and safeguarding the interests of its shareholders.

### 1.1 Board leadership and company purpose

#### Principle A: The role of the Board of Directors

The Board of Directors (the Board) sets the tone with regards to the standards of corporate governance. To this end the Board decided to adopt voluntarily the UK Corporate Governance Code as from 01.01.2019, recognizing that the Code is widely recognized as best standard of corporate governance.

The Board operates effectively for the longer-term interests and sustainability of the Company. The Board is diverse, and its members possess the appropriate level of knowledge, skills and expertise required to deliver upon expectations. The Company demonstrates a clear division of responsibilities between Management and the Board: The Executive Committee is supported by a) the Financial, the Capital Allocation and the Energy & Regulatory Matters Committees and b) the respective Committees of the Metallurgy, Power & Gas, Renewables Storage Development and Sustainable Engineering Solutions Business Units.

As a responsible industrial company, MYTILINEOS integrates sustainability considerations as part of its main purpose. The Company's business model is at the centre of its operations: It supports its growth, describes the categories of resources it utilises, presents the picture of its activities, its production performance, the value it creates for its Stakeholders and wider society, in general, its overall contribution to Sustainable Development. Detailed analysis is provided in the Management Report section of the 2021 Annual Report.

To offer a better understanding of the Company's business model, use is made of key performance indicators together with descriptions of the interrelationships between the resources utilised. This information is available at [Mytilineos - Integrated Value Creation 2020 - Scorecard](#).

The Board of Directors established within 2021 the Sustainability Committee, with the purpose to assist the Board in strengthening the Company's long-term commitment to creating value in all three pillars of Sustainable Development (economy, environment and society) and in overseeing the implementation of responsible and ethical business conduct, evaluated regularly on the basis of its results and its performance in Environmental, Social and Governance (ESG) matters. More information on the Sustainability Committee is available in Section 3.

In addition, MYTILINEOS assigns, on a biannual basis, the study of the socio-economic impact of its activities, to an independent consultancy which is selected through a tender procedure. The results of the study, which are outlined in a relevant report, are presented to the Sustainability Committee, and are published on the Company's website. More information on the latest report of the socio-economic impact of MYTILINEOS (2019) is available at the following link: <https://www.mytilineos.gr/sustainability/how-we-create-value/mytilineos-socio-economic-impact-in-greece/>.

#### Principle B: Purpose, values and culture

The Board of Directors approved the company's vision, mission and values as part of its strategy. The Company's strategy is reviewed annually at a Board meeting, as well as at an executive session of the Non-Executive Directors.

#### Principle C: Resources, risks and controls

Within its remit to oversee the company's internal controls and risk management systems, the Audit Committee proposed to the Management to undertake an assessment of the system of internal controls using the (Committee of Sponsoring Organisations of the Treadway Commission - COSO) 2013 Framework. Following a standard tender process, the Management assigned the assessment of the Internal Control System of the Company's central and central support functions to EY Business Advisory Services.

#### Principle D: Shareholder and stakeholder engagement

The Company interacts with a broad range of social groups. These different groups are recorded, ranked and characterized as Company's "key Stakeholder groups", based on specific criteria according to the international AA1000 Stakeholder Engagement Standard (SES) and in correlation with:

- the position they hold within the Company's sphere of influence,
- the degree of significance and relativity attributed to or existing in Company's activities and
- the way they affect the Company's ability to fulfil its vision and mission.

The Company's synergies with its Stakeholders are shaped in the context of the Company's contribution to the Sustainable Development Goal 17 that seeks to strengthen partnerships to support and achieve the ambitious targets of the 2030 Agenda without exclusions, built on a common vision, principles and values. The Company promotes regular communication with its Stakeholder groups; the frequency of such communication stems from the type of relationship built with each group, aiming to understand their expectations and respond promptly to matters concerning them, preserving and strengthening at the same time its "social license to operate".

Additionally, MYTILINEOS has developed a specific Stakeholders Engagement process. This practice ex-

presses the Company's long-standing principle of engaging with its Stakeholders through a systematic and sincere dialogue. As a corporate institution, the Stakeholders Consultation process, has been carried out consistently annually since 2011 and is subject to self-assessment and self-improvement procedures.

- Stakeholder Engagement [https://www.mytilineos.gr/media/mmwd2ntn/social\\_partners\\_consultation\\_process\\_2018\\_en.pdf](https://www.mytilineos.gr/media/mmwd2ntn/social_partners_consultation_process_2018_en.pdf)

- A detailed analysis of the results of the Stakeholder Engagement Process 2021 is provided in the Annual Report 2021, in the Non-financial disclosure report section, and in the Sustainable Development Report 2021 published in June and posted on the Company's website.

### Principle E: Workforce policies and practices

The Code of Business Conduct of the Company serves as a record of the general principles which define the responsible business conduct and the ethical rules that all the employees and business partners of MYTILINEOS are expected to follow, as well as a record of the commitments of the Company's Management towards its people. The Code ensures that all Company activities adhere to the principle of integrity, thus safeguarding its reputation, which is its most valuable intangible asset and, as any other asset, should not only be protected but should also be further developed, by ensuring that the conditions that will allow this are in place. The Board has last approved the Code of Conduct in November 2019 and since then there has not been the need for any update. In 2021 the Board has approved and endorsed the Conflicts of Interest policy and guideline for MYTILINEOS that is applicable to the Board itself and all MYTILINEOS employees.

MYTILINEOS has established a whistleblowing process (<https://www.mytilineos.gr/who-we-are/governance/compliance/#section10Policy>) for all employees to report any violation of the MYTILINEOS Code of Business Conduct ([https://www.mytilineos.gr/media/doi4yvc/mytilineos\\_kodikas\\_deontologias\\_2019\\_web\\_en\\_23\\_01.pdf](https://www.mytilineos.gr/media/doi4yvc/mytilineos_kodikas_deontologias_2019_web_en_23_01.pdf)) even on an anonymous basis. All incoming reports are being investigated by the appropriate personnel in confidentiality. MYTILINEOS has a non-retaliation policy for the reporters that submit their reports in good faith.

Additionally, the Remuneration Policy for the Directors contributes to the Company's business strategy and long-term interests and sustainability by encouraging the Executive Directors to focus on sustained long-term value creation by providing a fair and appropriate level of fixed remuneration and a balance of short and long-term incentives to ensure there is focus on short term objectives that will over time build to create long-term value creation, as well as long-term goals. The remuneration policy for the Executive Directors, as for all employees, is based on the principle of paying fair and reasonable remuneration for the best and most appropriate person for the role while ensuring that the Company pays fairly and competitively and in the longer-term interests and sustainability of the Company.

The Remuneration and Nomination Committee and the Board of Directors receive periodic updates on the wider employee remuneration structure and practices within the Company, which are considered when establishing and revisiting the Policy. This is to ensure that remuneration practices and structure are as consistent as possible across the Company.

Last but not least the Company aims to apply the principle of Diversity (based, among other basic parameters, on gender, age, experience, skills and knowledge) to the composition of its Board of Directors, of its executive management team and of all direct employees in all its activities, where this is feasible. To this end, the Company in its diversity policy sets as its objective the achievement of targets concerning the representation of women on the board, senior executives and direct employees. The diversity policy is disclosed in Section 6 together with

related targets. Since February 2021, the Company achieved a percentage of 27% concerning gender representation to its Board of Directors in line with its own target, while according to Greek law 4706/2020 the relevant percentage is 25%.

### Provision 1. Reporting on actions to generate long-term value

The Board of Directors discusses the Company's strategy and monitors its implementation in each of its meetings, which are held either in person or by video conference. In-depth analysis and discussion also is conducted at the executive sessions of the Non-Executive Directors.

### Provision 2. Monitoring and reporting on culture

The Code of Business Conduct applies to the Board, the management and the workforce. The Board overviews its implementation and monitoring by acquiring reports and through in person meetings of its Audit Committee with the Head of Internal Audit, the Compliance Director and the Non-Financial Enterprise Risk Manager. The reports are related to the controls on the main parts of the Code that are built to ensure proper implementation. In addition, the Board receives periodical information on the whistleblowing allegations that are made by employees through the Company's established reporting channels.

Non-Financial Key Performance Indicators (KPIs – ESG Scorecard) are disclosed in the 2021 annual report in the Non-financial disclosure report section. Their selection is based on the ESG Approach and is linked to the Company's ability to generate value and are thus material to sustainable development and its stakeholders. Also, they form an understanding of how those ESG issues impact its corporate performance and the Company's ability to implement its strategy. The KPIs have been defined in accordance with the Global Reporting Initiative (GRI STANDARDS) and the Sustainability Accounting Standards Board (SASB).

The remuneration policy supports its short and long-term business plan, so as to continue creating value for customers, shareholders, employees and the Greek economy. The level of fixed pay for Directors is established on the basis of paying no more than is necessary, always supporting the Company's longer-term interests and sustainability.

The Policy provides for variable compensation arrangements for Executive Directors to further align the Executive Directors' interests with those of the Company as the performance conditions used will be based on indicators of the long-term success and sustainability of the Company. The remuneration policy is disclosed on the Company's website <https://www.mytilineos.gr/media/vowkemcd/mytilineos-rem-policy-2021eng.pdf>.

The Remuneration Policy is disclosed in Section 1.5.

### Provision 3. Engagement with shareholders

The (executive) Chairman engages with the Company's major institutional shareholders throughout the

year in various ways: during the Annual General Meeting (AGM), through teleconference calls held on the occasion of half year and annual results, in the annual gathering of domestic institutional investors held at the company's headquarters, as well as during one-to-one meetings with key institutional investors, both upon request but also before significant corporate events initiated by the company. The Chair also holds an extensive Q&A session with minority shareholders during the AGM. Shareholders' concerns, if any, are discussed with the Board and the Lead Independent Director is available to investors should the need arise.

The Company engages with shareholders and proxy advisors and since 2020 this effort has been strengthened through the organization, on an annual basis, of a targeted corporate governance roadshow, organized with the help of an external consultant, Velos Advisory, to maintain an active dialogue with the stewardship teams of its key investors, both before the AGM and throughout the year, with the participation of the Lead Independent Director, members of the Board of Directors and of the Company Secretary.

#### **Provision 4. Actions to be taken if significant votes against**

The recommendations of the Management for the resolutions regarding the Annual Shareholders' General Meeting dated 15 June 2021 were passed by the majority of shareholders, with percentages ranging from 100% to 98.38%, more than 80% of the represented paid up share capital. In case 20% or more of votes are cast against a recommendation of the Management for a shareholder resolution in the future, the Company, when announcing voting results, also shall explain what actions it intends to take to consult shareholders who voted against in order to understand the reasons behind the result. The Company shall also announce no later than six months after said shareholder meeting the results of such consultation and the actions taken and, in any case, provide a summary thereof in the annual report.

#### **Provision 5. Engagement with stakeholders and workforce representation**

Full account of how the Board takes into account the interests of various stakeholders' groups is provided in the Sustainable Development Report 2021 which becomes available by the time of the AGM in June 2022 on the website <https://www.mytilneos.gr/sustainability/reports/>. As part of its engagement process MYTILINEOS has developed a specific Stakeholders Consultation process (<https://www.mytilneos.gr/sustainability/our-approach/our-relationship-with-stakeholders/>). This practice expresses the Company's long-standing principle to engage with its Stakeholders through a systematic and sincere dialogue. As a corporate institution, the Stakeholders Consultation process, has been carried out consistently on annual basis since 2011 and is subject to self-assessment and self-improvement procedures.

The Materiality process, i.e. the process of identifying, understanding and prioritizing the sustainability issues, is one of the key elements in the Company's responsible operation. The Company's open dialogue with its Stakeholders, in addition to enhancing its ability to understand the impact of its activities, enriches this process with new inputs. The workforce participates in the process of determining the material Sustainable Development topics through a relevant Social Partner survey that was carried out in 2021 and takes place every two years based on the official MYTILINEOS process. The results of this process will be published in the 2021 Sustainable Development Report.

For the purpose of setting remuneration, the Remuneration and Nomination Committee and the Board of Directors receive periodic updates on the wider employee remuneration structure and practices within the Company, which are considered when establishing and revisiting the Remuneration Policy. In addition, the Remuneration and Nomination Committee and Board of Directors are provided with information on remuneration trends across the Company including average pay increases along with any relevant economic data, such as the rate of inflation to take into account when operating the Policy.

#### **Provision 6. Whistleblowing**

The Company expects its employees to report serious violations of the Code of Business Conduct, when they become aware of them or when these are brought

to their attention. This will allow the Company to address and rectify the matter, before it becomes a violation of the law or a health and safety risk or jeopardizes the Company's reputation. In cases involving violations of the Code, the competent bodies of the Company shall investigate thoroughly the reports made, while at the same time observing the confidentiality of the relevant information, unless otherwise provided for by the law. MYTILINEOS has established a whistleblowing process [<https://www.mytilneos.gr/who-we-are/governance/compliance/#section10Policy>] for all employees to report any violation of the MYTILINEOS Code of Business Conduct ([https://www.mytilneos.gr/media/doil4yvc/mytilneos\\_kodikas\\_deontologias\\_2019\\_web\\_en\\_23\\_01.pdf](https://www.mytilneos.gr/media/doil4yvc/mytilneos_kodikas_deontologias_2019_web_en_23_01.pdf)) All reports shall be investigated by the appropriate personnel in confidentiality.

The Company has also recently upgraded its whistleblowing system, with the use of a third party platform by an EU based company that specializes in Whistleblowing applications, to maximize anonymous reporting capabilities and Compliance with the EU Directive 1937/2019. This platform shall be released as long as the national law on whistleblowing channels will be published.

Additionally, the Company may set up a grievance mechanism or whistleblowing channel or reporting line if required by the contractor, when doing business in countries with an increased corruption risk (as in reference to the Corruption Perception Index by Transparency International) that pose a bribery and corruption risk for the Company.

#### **Provision 7. Conflicts of interest**

Each member of the Board has a duty of loyalty to the Company. Board members act with integrity and in the Company's interests and safeguard the confidentiality of information that is not publicly available. They must not have a relationship of competition with the Company and should avoid any position or activity that creates or appears to create a conflict between their personal interests and those of the Company. During 2021, the Company adopted a separate Conflict of Interest policy and procedure, elaborating further the relevant section of the Code of Business Conduct of the Company. More information on the Policy and Procedures on Conflicts of Interest, which has been approved by the Board of Directors by its resolution dated 15/06/2021 is available in Section 2.3.

Finally, the Internal Audit Division reports to the Audit Committee any cases of conflict of the private interests of Board members with the interests of the Company, which (cases) it ascertains in the performance of their duties.

#### **Provision 8. Director concerns and resignations**

Pursuant to the Company's Articles of Association (available on the website) and Greek Company Law 4548/2018 on the request of a member of the Board of Directors, the Chairman is required to record in the minutes a summary of such member's opinion. The BoD will consider including in the Board's Terms

of Reference a provision according to which, on resignation, a non-executive member of the Board of Directors has the right to provide a written statement to the Chair for circulation to the Board.

## 1.2. Division of responsibilities

### Principle F: The role of the chair

The Chairman coordinates and directs the Board's meetings and overall functioning. He heads the Board of Directors and is responsible for convening meetings, determining the agenda and ensuring the proper organisation of the Board's activities and the efficient conduct of its meetings. The Chairman is also responsible for ensuring the provision of timely and accurate information to the Board members, as well as for effective communications with all shareholders, seeking to guarantee the fair and equitable treatment of the interests of all shareholders.

The Chairman sets the board agenda assisted by the Company Secretary.

More information on the role of the Chair is available in Section 2.1.2.

### Principle G: Board balance and decision-making

The Board has 11 members. Of these: a) three members, namely the Chair & CEO, the Vice Chair B and one other member are Company executives, b) Vice Chair A' is non-executive and c) seven members are independent non-executive. Both Board committees, the Audit Committee and the Remuneration and Nomination Committee, are completely independent. The separation of responsibilities between the executive management and the Board of Directors is clear, as described in the Company's Internal Regulation. Prevention of excessive burden arising from the professional commitments of the members, outside the Company, is regulated in the Policy for the Suitability Assessment of the Board of Directors of the Company which falls within the competence of the Remuneration and Nomination Committee.

Non-executive Board members' other assignments are considered at the nomination process as to avoid over-boarding and reviewed every year by the Remuneration and Nomination committee. Other appointments and commitments are reported in Section 2.1.7.

### Principle H: The role of non-executive directors

The Non-Executive Members of the Board do not have executive responsibilities regarding the management of the Company within their remit, beyond the general duties stemming from their capacity as Board members and have been entrusted with the role of systematic supervision and monitoring of Management's decision-making.

According to the Policy for the Suitability Assessment of the Members of the Board of Directors of the Company, which was approved by resolution of the AGM of MYTILINEOS, dated 15 June 2021, non-executive Directors are advised not to hold more than six non-executive directorships. In any case, they should not sit in the boards of more than five (5) companies whose shares are traded in regulated markets.

The Board Profile matrix is reported in Section 2.2 the biographies of each individual Board member are available on the company's website <https://www.mytilineos.gr/who-we-are/leadership/>.

More information on the role of non-executive directors is available under Provision 13.

### Principle I: Board policies and processes

The Board of Directors has appointed the Corporate Governance Director of the Company as Company Secretary so to have the necessary guidance and advice on corporate governance issues. The Board committees worked together with Company Secretary to draft their terms of references which subsequently were approved by the Board of Directors.

### Provision 9 Chair and Chief Executive

The Board Chair is also the CEO of the company. The Board continues to evaluate the topic of split vs dual role for the Chair/CEO position.

Following the consolidation of the Group in 2018, the dual role under our founder Mr. Mytilineos has helped the Company streamline its operating model and leverage synergies between its different BUs as well as delivering outstanding results. Furthermore, significant strategy and organisational work lies ahead and we feel that any change today in our organisational model would not be beneficial to the Group. Given his unique experience and leadership capacity, our Founder Mr. Mytilineos will continue to play a critical role going forward. Given the dual role, the Company has introduced a number of initiatives to ensure an elevated level of independence which include:

- strengthening of the role of the Lead Independent Director;
- ensuring a majority- independent Board;
- enhancing the functioning and impact of the Board Committees with independent members and the addition of a Sustainability Committee;
- a strengthening of our Compliance processes, under the Audit Committee and
- launching a Succession Planning exercise as well as a Board Effectiveness Review (both collective as well as individual) to ensure initiatives to enhance the Group's organisational and process capabilities are accelerated.

### Provision 10. Independence of directors

Independent non-executive Board members are approved as such by the shareholders at the time they stand for election.

Independent non-executive members at the time of their appointment and during their term of office, do not hold, directly or indirectly, a percentage of voting rights greater than zero-point five percent (0.5%) of the Company's share capital and do not maintain any economic, business, family or other kind of dependency relationship, which may influence their decisions and affect their independent and objective judgment.

In that sense, a dependency relationship, shall exist, indicatively, in the following cases:

a) Where the Board member receives any remuneration or allowance by the Company, or by a related company, or participates in a share option scheme or any other remuneration or allowance scheme related to the performance, except for fees received for the member's participation in the Board or its committees, in accordance with the Remuneration Policy of the Company;

b) Where the Board member or any person closely associated with it, has or has had (directly or indirectly through participation in another entity), within the last three (3) financial years from the Board member's appointment, a business relationship with the Company, or a person related to the Company, or a shareholder who holds, directly or indirectly, at least ten percent (10%) of the share capital of the Company or of a related company during the last three (3) financial years prior to the Board member's appointment, provided that such relationship affects or is likely to affect the business activity of either the Company, the Board member concerned, or the person closely associated with it. Such a relationship shall exist in particular when the person concerned is a significant supplier or customer of the Company.

c) Where the Board member or any person closely associated with it:

(i) has served as member of the Board of the Company or of a related company for more than nine (9) financial years from the date of the Board member's first appointment;

(ii) has been a manager, or employee, or partner under service contract or mandatee under paid mandate contract, of the Company or a related company, within the last five (5) financial years prior to the Board member's appointment;

(iii) is a close family member or spouse (or equivalent) of a Board member or a senior manager;

(iv) has been appointed directly by a shareholder of the Company;

(v) represents shareholders holding, directly or indirectly, at least five percent (5%) of the Company's voting rights at the General Meeting;

(vi) has conducted a mandatory audit in the Company or in a related company during the last three (3) financial years before the Board member's appointment;

(vii) is an executive board member in another company, in whose board an executive member of the Company participates as a non-executive member.

The criteria by which Board members' independence is assessed are determined in detail in the Company's Policy on Board Members' Independence, which also establishes the procedure and rules to be followed, on the one hand, for notifying any dependency relationship of the independent Board members and of the persons closely associated with them; and, on the other hand, for assessing the fulfilment of independence criteria.

The Independent Non-Executive members of the Board may submit, jointly or separately, reports to the General Meeting (ordinary or extraordinary) of the Company, independently of the reports submitted by the Board of Directors. Such reports shall include, as a minimum, the following:

(a) monitoring and reviewing the Company's strategy and its implementation and the achievement of its objectives,

(b) ensuring effective supervision of the executive members of the Board, including monitoring and reviewing their performance,

(c) considering and expressing views on proposals made by executive members of the Board on the basis of existing information.

It is in the Remuneration and Nomination Committee's remit to review the independence of the non-executive directors before nomination. Specifically, the Remuneration and Nomination Committee reviews:

- the balance of the number of independent non-executive directors;

- the length of service of independent non-executive directors;

- any situational conflict which a director may have with the interests of the Group and

- any other relevant matter.

As of 2019 the Remuneration and Nomination Committee reviews the independence of Board members annually.

#### **Provision 11. Half the board to be independent**

On 31.12.2021 the Board of Directors consisted of 11 members, seven (64%) of whom were independent. At the AGM of 15 June 2021, the shareholders approved the appointment as independent non-executive members of the Board of Directors of: a) Mrs Natalia Nikolaidi in replacement and for the rest of the term of office of the resigned independent non-executive member, Mr. Georgios Chrysikos, i.e. until 07.06.2022; and b) Mr. Anthony Bartzokas in replacement of the resigned non-executive member Mr. Christos Zerefos with a term until 07.06.2022. Mr. Zerefos resigned as of 14.06.2021 due to the fact that according to the Policy on Board Members' Independence the Company shall assiduously ensure that an appropriate number of independent members participate in the Board (at least 60%).

#### **Provision 12. Lead Independent Director**

The Lead Independent Director is charged with coordinating the Board's Executive and Non-Executive Members. He also chairs the procedure concerning the evaluation of the Chairman by the Board Members, as well as the meetings of the Board's Non-Executive members. He proposes to the Chairman of the Board issues for discussion. Finally, he is available and attends the General Meetings of the Company's shareholders, in order to discuss matters pertaining to corporate governance, as and when the need arises. The Lead Independent Director leads the shareholder engagement with the stewardship teams of the investors in the Company's Corporate Governance roadshows. In addition, during 2021, the executive sessions of the Non-Executive Directors were chaired by the Lead Independent Director and assisted by the Company Secretary. Such sessions will continue. Moreover, the Lead Independent Director informs the Chairman of the Board of Directors in relation to the important issues raised by the Non-Executive members in their meetings and discusses them with him.

### Provision 13. Role of non-executive directors

The **Non-Executive Members** of the Board do not have executive responsibilities regarding the management of the Company within their remit, beyond the general duties stemming from their capacity as Board members, and have been entrusted with the role of systematic supervision and monitoring of Management's decision-making. In particular, they are entrusted with the following duties:

- a) Monitoring and reviewing the Company's strategy and its implementation, as well as the achievement of its objectives.
- b) Ensuring effective supervision of the executive members of the Board, including monitoring and reviewing their performance at individual and collective level.
- c) Considering and expressing views on proposals submitted by executive members of the Board on the basis of existing information and participating constructively and critically in the Board's decision-making.
- d) Ensuring and periodically evaluating the effectiveness of the Company's internal governance framework and taking appropriate action to address any weaknesses identified.
- e) Participating, depending on their area of responsibility, in the Audit Committee and the Remuneration and Nomination Committee, as well as in any other committee in which their participation is prescribed by law or deemed necessary.

The non-executive members of the Board meet, under the chairmanship of the Lead Independent Director, without the presence of the executive members of the Board at least annually and whenever they deem it necessary, in order to assess the Chairman of the Board, and the performance of the executive Board members and the management against the performance targets set for them. At their separate meetings, they also discuss other matters relevant to the Board, including, but not limited to, how the Board operates, significant developments in the regulatory framework affecting the Company, developments regarding corporate governance, and the Company's strategy. The activity of the Non-Executive Directors in 2021 is described more specifically in Section 2.5.

### Provision 14. Written responsibilities and attendance

The roles and responsibilities of the Chair, CEO, Lead Independent Director and Board committees are included in the Company's Articles of Association which have been approved by the shareholders at the 2019 AGM. Furthermore the aforementioned roles and responsibilities are part of the company's Internal Regulation which also include internal policies and processes. The terms of reference of the Board committees which portray the remit, the functioning, and the reporting responsibilities of the committees in detail, are approved by the Board and can be seen on Company's website. Also details of meetings, agendas and individual attendance of directors during the year are reported under the relevant provisions in this document.

### Provision 15. Other appointments

Prior to appointment, the Board considers external demands on the time of nominee directors who are proposed by the Board to the shareholders for appointment. According to the Articles of Association of the Company, notwithstanding any authorization by the General Meeting, the members of the Board of Directors should not take part in the boards of directors of more than five companies, the shares of which are traded in regulated markets. By resolution of the General Meeting of MYTILINEOS, which took place on 15 June 2021, the Policy for the Suitability Assessment of the Members of the Board of Directors was approved according to which every member of the Board of Direc-

tors must commit sufficient time to performing their duties. Furthermore, the Company shall make every proposed member aware of the time they shall be expected to devote to performing their duties, participating in Board meetings or sitting in any committees in which they shall sit either as a member or Chair. Before acquiring any additional position in boards of other entities, every member must consider the necessary time they should devote for discharging their duties as a member properly, which (time) should in no case be impaired.

The Board considers all external commitments of executive and non-executive directors including the not-for-profit ones. No director holds more than five external appointments. Two executive directors hold positions in non-listed companies none of whom is the CEO.

Full list of other appointments is available in Section 2.1.7.

### Provision 16. Company secretary

The Board has appointed the Company's Corporate Governance Director as Company Secretary. The Company Secretary is charged with minuting the meetings of the Board of Directors and of the Board Committees. The responsibilities of the Company Secretary include ensuring the efficient flow of information between the Board of Directors and the Board Committees, as well as between the Executive Management Team and the Board of Directors. The Company Secretary formulates the induction programme intended for Board members immediately after their election, and ensures that they are provided with ongoing information and training on Company-related matters. Finally, the Company Secretary ensures good communication on governance issues among the shareholder and the Board of Directors, with a view to ensuring the Board's compliance with the applicable legal and regulatory requirements.

More information on the Company Secretary is available in Section 2.1.6.

## 1.3 Composition, succession and evaluation

### Principle J: Board appointments and succession planning

The Remuneration and Nomination Committee is responsible for making recommendations to the Board on appointments against objective criteria and with due regard for the benefits of diversity on the Board, including gender, breadth of experience, amongst other criteria, in accordance with the Policy for the Suitability Assessment of the Members of the Board of Directors of MYTILINEOS, which was approved by the AGM on 15 June 2021. It is in the Committee's remit to prepare a description of the role, capabilities and personal attributes required for a particular appointment; to develop criteria for identifying and evaluating director candidates. Also it is part of the Committee's remit to care for the orderly succession

and make recommendations for appointment and reappointment by the Board of both executive directors and independent non-executive directors.

The first ever formal succession planning exercise was completed in late 2021 with facilitation provided by Egon Zehnder. The selection process was reviewed by the Remuneration and Nomination Committee and elevated to the Board with the selection based on the local relevance of Egon Zehnder as well as their deep knowledge of the Group.

The Company applies a Diversity Policy in which it acknowledges that diversity at the workplace in the broader sense may increase the potential for accessing a greater range of solutions to issues of business strategy, thus increasing its competitive advantage. The Company had set measurable targets concerning the representation of women by 2020. In 2021 the Company exceeded the set goal, as the new members elected on 15.06.2021 raised the number of women on the Board of Directors to three, that is to 27%.

### **Principle K: Skills, experience and knowledge**

In addition to the above, it is up to the Remuneration and Nomination Committee to make recommendations for approval by the Board of the membership of Board committees. The current Board of Directors was elected by the General Meeting of the Shareholders on 07.06.2018 for a term of four (4) years, due to expire on 07.06.2022. The Board skill matrix is available in Section 2.2 and their CVs are available on the Company's website [<https://www.mytilineos.gr/who-we-are-leadership/>].

### **Principle L: Board and director evaluation**

It is in the Remuneration and Nomination Committee's remit to establish and oversee an objective and rigorous evaluation process of the Board and committees of the Board. The Chair of the Committee has overall responsibility for the process and should involve the Board Vice Chair A' and the Lead Independent Director as appropriate; the Board Vice Chair A' leads the process that evaluates the Board and the Lead Independent Director leads the process that evaluates the Chair of the Board. Board, committee and individual Board and committee members evaluations shall take place every year and externally facilitated every three or sooner and the outcomes of Board evaluation shall be shared and discussed with the Board and inform and influence the succession process.

Board effectiveness was addressed via 2 initiatives – first, an external assessment of the Board's collective capabilities that was discussed by the Board in 2020 and secondly, a follow up review was completed in 2022 that focusses on individual capabilities and Board impact. Following a review of available providers, the Remuneration and Nomination Committee proposed Egon Zehnder to facilitate the process based on their leading position in the Greek marketplace, knowledge of the Mytilineos Group and the value of their proprietary global template in evaluating Board performance. The facilitator was granted full access to the operating details of the Board functioning and also attended one of the Board meetings.

### **Provision 17. Nomination committee**

The Company has a combined Remuneration and Nomination Committee which examines and processes issues pertaining to: (a) the remuneration of Board members and of senior and other executives; and (b) the suitability of existing and candidate directors, within the scope of its remit under its Terms of Reference. The Committee revisited its Terms of Reference, which were approved and put into effect by the Resolution of the Board of Directors dated 26.07.2021, following relevant proposals submitted by the Committee.

Details on the composition, tenure, functioning, decision-making and meetings of the combined Committee are available under Provision 32.

The nomination responsibilities of the Committee include the following:

- to review the independence of the non-executive Directors;

- to develop meritocratic and objective criteria for identifying and evaluating candidate Directors in accordance with the Policy for the Suitability Assessment of the Members of the Board, as well as for assessing and planning the succession of Directors, and to describe the role, knowledge, skills, experience, abilities and the required personal attributes of a specific candidate Director;

- to make recommendations to the Board on the appointment of Directors against objective criteria;

- to plan for the orderly succession of the Directors and senior executives and make recommendations to the Board;

- to establish and oversee an objective and rigorous evaluation process of the Board and Board Committees, including assessing suitability at individual and collective level;

- to oversee the induction process of new Directors and their ongoing training in accordance with the relevant Training Policy that the Company has adopted and applies;

- to regularly assess and review the Board's size, structure, composition and operation and, if it identifies weaknesses, to recommend to the Board relevant changes as appropriate;

- to be responsible for drawing up the Company's Policy for the Suitability Assessment of the Members of the Board, which shall then be submitted to the Board for its approval, as well as any amendments thereof.

### **Provision 18. Director election**

The Board has a term of four years and all of its members are subject to re-election. Elections take place every four years. The current Board was appointed by the 2018 AGM. Nominees were submitted unbundled to the General Meeting of the Shareholders for approval.

### **Provision 19. Length of service of Chair**

The Chair has been serving for over 29 years. Following the consolidation of the Group in 2018, the dual role under our Founder Mr. Mytilineos has helped the Company streamline its operating model and leverage synergies between its different BUs as well as delivering outstanding results.

Mr. Mytilineos moreover is the architect of the Company strategy currently underway, hence his vision, knowledge, and involvement are integral to its materialization. Significant strategy and organisational work lies ahead and we feel that any change today in our organisational model would not be beneficial to the Group. Given his unique experience and leadership capacity, our Founder Mr. Mytilineos will continue to play a critical role going forward.

As already mentioned under Principle J, the first ever formal succession planning exercise was completed in late 2021 with facilitation provided by Egon Zehnder.

The selection process was reviewed by the Remuneration and Nomination Committee and elevated to the Board. The exercise covered the CEO and 14 direct reports utilizing Egon Zehnder's global succession planning template. The objective of the exercise was one of mapping both the collective and individual skill set of the executive team and comparing this with the executive capabilities required by the Company over the foreseeable future. This exercise was a key input to address the succession planning needs of the Group.

A set of recommendations were submitted to ensure the Group develops the right competencies to address the challenges and opportunities of the future. A critical initiative relates to the further development of high potential executives through the expansion of their responsibilities and the implementation of personal development plans. Additionally, all executives involved went through a face-to-face feedback session with the facilitator to help improve their leadership effectiveness.

#### **Provision 20. Appointment process**

The external consultant, Egon Zehnder, provided support and assistance for the appointment of the new independent non-executive members of the Board following proposal of the Remuneration and Nomination Committee. They advised on the process of identifying needs, candidate assessment and selection of non-executive directors. They also provided services to the Remuneration and Nomination Committee on issues related to the Board evaluation, the nominee search for an independent non-executive Director, as well as the succession planning exercise for the executive members of the Board of Directors. Egon Zehnder provided services for the succession planning for the other members of the Company's Executive Committee. Apart from that, they have no other relationship with the company or with members of the Board of Directors.

#### **Provision 21. Board evaluation**

Board effectiveness was addressed via 2 initiatives – first, an external assessment of the Board's collective capabilities that was discussed by the Board in 2020 and secondly, a follow up review was completed in 2022 that focusses on individual capabilities and Board impact. Following a review of available providers, the Remuneration and Nomination Committee proposed Egon Zehnder to facilitate the process based on their leading position in the Greek marketplace, knowledge of the Mytilineos Group and the value of their proprietary global template in evaluating Board performance. The facilitator was granted full access to the operating details of the Board functioning and also attended one of the Board meetings.

The collective review of Board effectiveness was executed via face-to-face interviews and utilization of the firm's evaluation tools. The review confirmed that the Board is on a journey of continuous improvement with the opportunity to improve in the areas of deeper engagement of the non-executive Directors in-between Board meetings coupled with an improved knowledge of the operating and strategic model of the Mytilineos Group. Following the exercise, the Group implemented a number of key initiatives – strengthening of the Lead Independent Director function and the institutionalization of 4-5 non-executive Director Board meetings per annum to further increase involvement and impact of the non-executive Directors. Additionally, the exercise highlighted the opportunity to improve Board capability in the areas of Audit and Risk and Compliance, with the subsequent addition as Board Directors of Mr. A. Bartzokas (former Chairman of EBRD's Audit Committee) and Mrs N. Nicolaidis (former global Head of Credit Suisse Investment Banking Risk and Compliance division).

The individual assessment review completed in early 2022 involved face to face interviews of all Board Directors as well as of the Corporate Secretary, completion of an online questionnaire and subsequent utilization Egon Zehnder's psychometric tools. Key competencies analyzed

included Board Results Orientation, Strategic Orientation, Collaboration and Influencing, Independence and Integrity, Interpersonal Style and Relevant Experience. The findings further reinforced the findings of the collective evaluation as well as progress achieved.

As a conclusion, the 2 Board evaluation exercises strengthened the Board's journey of continuous improvement whilst the initiatives executed have already shown a material improvement in the ability of the Board to add value through strengthened and more continuous involvement.

A separate initiative which was launched for the first time was an annual evaluation of the Chairman & CEO, led by the Lead Independent Director and reviewed by the Remuneration and Nomination Committee. The evaluation was carried out along different areas of CEO accountability, including Strategic Development, Organizational effectiveness, Board Effectiveness, ESG progress and delivery of 2021 Financial Targets. The evaluation was discussed with the Chairman & CEO both individually and at Board level and was a critical input into the 2021 STIP review.

#### **Provision 22. Evaluation follow-up**

On the conclusion of the evaluation, the recommendations were reviewed at Board level during 2021 and a plan of initiatives was approved. As a follow-up step, the Non-Executive Directors met separately and discussed further initiatives to build on the specific role of the Non-Executive Directors. The Remuneration and Nomination Committee will also monitor progress. The Remuneration and Nomination Committee will monitor that any weaknesses identified are addressed.

#### **Provision 23. Reporting on the Nomination Committee**

In order to fill the vacancy of two independent non-executive members of the Board of Directors, the combined Remuneration and Nomination Committee, taking into account a) the Company's Policy for the Suitability Assessment of the Members of the Board of Directors b) the Company's strategy and c) the results of the Board of Directors evaluation, described the role, skills and necessary personal characteristics which will enhance the knowledge and skills of the Board as a whole.

The Committee employed the services of Egon Zehnder, the independent external advisor who had also provided advice to the Company on the 2018 nominee search for the current Board. The Committee reviewed a long list of candidates, which was shortened subsequently, interviewed candidates so to propose Ms. Natalia Nikolaidis and Mr. Anthony Bartzokas as preferred nominees to the Board, in replacement of two resigned independent non-executive members. Ms. Nicolaidis brings solid international experience specifically in the areas of Corporate Governance, Compliance and Risk Management, which will complement well the current capabilities of the Board. The Board appointed Ms. Nikolaidis as independent non-executive member on 02.02.2021. Mr. Bartzokas has experience for several years in



ternational investment businesses with in depth knowledge of emerging markets as well as audit committee function, while his election will further strengthen the independent percentage of the board of directors.

By resolution of the General Meeting of 15 June 2021, the shareholders approved the appointment of Ms. Nikolaidis as independent non-executive member of the Board of Directors in replacement and for the rest of the term of office of the resigned independent non-executive member, Mr. Georgios Chrysikos, i.e. until 07.06.2022.

Furthermore, by resolution of the General Meeting of 15 June 2021, the shareholders elected Mr. Anthony Bartzokas as independent member of the Board of Directors with a term until 07.06.2022, in replacement of the resigned independent non-executive member, Mr. Christos Zerefos.

For future appointments the Remuneration and Nomination Committee shall prepare a description of the role, capabilities and personal attributes required for a particular appointment. Essential feedback for new appointments will come from the Board effectiveness review which will be completed in 2022.

Moreover, the Committee reviewed the non-executive directors as for:

- the balance of the number of independent non-executive Directors;
- the length of service of independent non-executive Directors;
- any situational conflict which a director may have with the interests of the Company
- gender representation.

Additionally the Committee reviewed the fulfilment of the independence criteria of all the independent non-executive Directors, and informed the Board which in turn ascertained the fulfilment of the independence criteria of the said Directors. The Company has developed a diversity policy regarding the members of the Board of Directors and senior executives, which states clear objectives, presented in detail in Section 6. As at 31.12.2021 gender diversity at Board level stood at 27%.

The Remuneration and Nomination Committee discussed and approved the Policy for the Suitability Assessment of the Members of the Board of Directors (Suitability Policy), which has been approved by decision of the General Meeting of 15.06.2021, following the approval of the Board of Directors by its resolution dated 12.05.2021, and constitutes the set of principles and criteria that apply when selecting, replacing, and re-appointing Board members, in terms of assessing their suitability on an individual and collective level. This Policy aims to ensure the quality of recruitment to the Board, its effective functioning and fulfilment of its role, based on the Company's general strategy and medium and long -term business goals for promoting its corporate interest. Further information on the Suitability Policy is available in Section 2.6.

The first ever formal succession planning exercise was completed in late 2021 with facilitation provided by Egon Zehnder. The selection process was reviewed by the Remuneration and Nomination Committee and elevated to the Board with the selection based on the local relevance of Egon Zehnder as well as their deep knowledge of the Group. The exercise covered the CEO and 14 direct reports utilizing Egon Zehnder's global succession planning template. The objective of the exercise was one of mapping both the collective and individual skill set of the executive team and comparing this with the executive capabilities required by the Company over the foreseeable future. This exercise was a key input to address the succession planning needs of the Group.

The executive assessment framework took a holistic approach to calibrate leadership competencies that are critical to the success of the Group, through personal interviews as well as utilization of management assessment tools. Critical competencies reviewed included Strategic Orientation, Results Orientation, Collaboration and Influencing, Team Leadership, Change Leadership and Building Organizational Capabilities.

A set of recommendations were submitted to ensure the Group develops the right competencies to address the challenges and opportunities of the future. A critical initiative relates to the further development of high potential executives through the expansion of their responsibilities and the implementation of personal development plans. Additionally, all executives involved went through a face-to-face feedback session with the facilitator to help improve their leadership effectiveness.

Board effectiveness was addressed via 2 initiatives – first, an external assessment of the Board's collective capabilities that was discussed by the Board in 2020 and secondly, a follow up review was completed in 2022 that focusses on individual capabilities and Board impact. Following a review of available providers, the Remuneration and Nomination Committee proposed Egon Zender to facilitate the process based on their leading position in the Greek marketplace, knowledge of the Mytilineos Group and the value of their proprietary global template in evaluating Board performance. The facilitator was granted full access to the operating details of the Board functioning and also attended one of the Board meetings.

The collective review of Board effectiveness was executed via face-to-face interviews and utilization of the firm's evaluation tools. The review confirmed that the Board is on a journey of continuous improvement with the opportunity to improve in the areas of deeper engagement of the non-executive Directors in-between Board meetings coupled with an improved knowledge of the operating and strategic model of the Mytilineos Group. Following the exercise, the Group implemented a number of key initiatives – strengthening of the Lead Independent Director function and the institutionalization of 4-5 non-executive Director Board meetings per annum to further increase involvement and impact of the non-executive Directors. Additionally, the exercise highlighted the opportunity to improve Board capability in the areas of Audit and Risk and Compliance, with the subsequent addition as Board Directors of Mr. A. Bartzokas (former Chairman of EBRD's Audit Committee) and Mrs N. Nicolaidis (former global Head of Credit Suisse Investment Banking Risk and Compliance division).

The individual assessment review completed in early 2022 involved face to face interviews of all Board Directors as well as of the Corporate secretary, completion of an online questionnaire and subsequent utilization Egon Zender's psychometric tools. Key competencies analyzed included Board Results Orientation, Strategic Orientation, Collaboration and Influencing, Independence and Integrity, Interpersonal Style and Relevant Experience. The findings further reinforced the findings of the collective evaluation as well as progress achieved.

As a conclusion, the two Board evaluation exercises strengthened the Board's journey of continuous improvement whilst the initiatives executed have already shown a material improvement in the ability of the Board to add value through strengthened and more continuous involvement.

Furthermore, the Remuneration and Nomination Committee informed the Board on the work of the Committee during 2021 and approved amendments of its Terms of Reference, the Training Policy of the Members of the Board of Directors, and the Policy on Board Members' Independence, which also establishes the procedure and rules to be followed, on the one hand, for notifying any dependency relationship of the independent Board members and of the persons closely associated with them; and, on the other hand, for assessing the fulfilment of independence criteria.

## 1.4 Audit, risk and internal audit

### Principle M: Internal and external audit

The Audit Committee of the Company has been established with the purpose of assisting the Board of Directors to fulfil its oversight responsibilities of the audit procedures for complying with the legal and regulatory framework regarding: (a) financial information, (b) internal audit, (c) the system of internal controls and the risk management system, and (d) supervision of the (external) statutory audit of the Company's individual and consolidated financial statements.

While all members of the Board individually and collectively have a duty to act in the interests of the company, the Committee has a particular role, acting independently from the executive Board Members, to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control and risk management systems. However, the Board has overall responsibility for the Company's approach to risk management and the system of internal controls.

The Audit Committee revisited its terms of reference. No major amendments were necessary.

### Principle N: The company's position and prospects

At the end of each business year, the Board of Directors prepares the annual financial statements, the annual consolidated financial statements and the management report.

The financial statements constitute a single comprehensive set and give a fair presentation of the recognized assets, liabilities, equity, income, expenses, profit and loss, as well as the cash flows of the period concerned, as the case may be, in conformance with the law. More specifically, the Board of Directors is required to prepare, pursuant to the above provisions: (a) the Balance Sheet or Financial Position Statement, (b) the Income Statement, (c) the Statement of Equity Change, (d) the Cash Flow Statement, (e) the Notes to the Financial Statements.

The management report provides:

(a) A fair review of the development and performance of the Company business and its position, together with a description of the principal risks and uncertainties faced by the Company;

(b) A review that presents a balanced and comprehensive analysis of the development and performance of the Company business and position, consistent with the size and the complexity of the Company;

(c) To the extent necessary for an understanding of the development, performance or position of the Company, the said analysis includes both financial and, where appropriate, non-financial key performance indicators relevant to the particular business of the Company, including information on environmental and labour issues. In the context of this analysis, the report includes, where appropriate, references and additional explanations on the amounts shown in the annual financial statements.

In the management report the Company includes: (a) a non-financial statement that includes information, to the extent necessary for an understanding of the development, performance, position and impact of its activities in relation, as a minimum, to environmental, social and labour issues, the respect of human rights, anti-corruption and anti-bribery practices

(b) the corporate governance statement; this statement is included as a separate part in the management report.

### Principle O: Determining and managing risks

The Board defines the strategy and is informed on significant risk factors such as financial, environmental, social, health and safety, and governance.

The Company has defined risk as a set of uncertain and unpredictable situations that may affect all its activities, its business operation and its financial performance, as well as the implementation of its strategy and the achievement of its goals

In line with this approach, it has established a specific risk management approach in all its areas of activity where certain risks have been recognized. This approach consists of the following steps:

- Identification and assessment of risk factors
- Planning of the risk management policy
- Implementation and evaluation of the risk management policy.

The Company has defined specific and comprehensive Risk Management Procedures. All executives are involved in the process of identifying and initially assessing risk to facilitate the work of the management of each business sector and the Board of Directors in the planning and approval of specific actions within the approved Risk Management Procedures.

With regard to Non-Financial Information, since 2010 the Company has introduced a specific Stakeholder engagement process for evaluating the materiality of the sustainability issues which are related to its activity sectors. This process, combined with the corresponding prioritization of these issues by the Company's Business Units, is at the core of the accountability policy applied by the Company.

The process for determining the material sustainability issues is an ongoing exercise that is constantly developed and improved. The purpose of this process is to highlight the issues that reflect the Company's significant environmental and social impacts and influence substantially the decisions of its Stakeholders.

By identifying and understanding the material sustainability issues, the Company formulates and develops its uniform business strategy and its aims, targets and social and environmental initiatives.

Last but not least, the Company conducts regular internal audits to ensure the appropriate and effective implementation of the risk identification and assessment processes and of the management policies for such risks.

#### Provision 24 Audit committee composition

At the AGM of 15 June 2021, the shareholders decided that the Audit Committee shall be a committee of the Board of Directors, which shall consist from three independent non-executive members whose term of office shall be the same as their term in the Board of Directors.

The Committee members as a whole have sufficient knowledge in the sectors in which the Company operates and at least one of its members has proven sufficient recent knowledge in auditing and accounting and is required to attend the meetings of the Committee concerning the approval of financial statements.

The assessment for the selection of the candidate Committee members is conducted by the Board of Directors, on the recommendation of the Company's Remuneration and Nomination Committee.

The Committee has a Secretary, which cooperates with the Corporate Secretary and is responsible for supporting the operation of the Committee in general, including the keeping of the minutes and the proper implementation of the Committee meetings.

The Committee Chair is appointed by the committee members. The chair of the Board cannot be a member of the Committee.

#### Composition and meetings of the Audit Committee in 2021

Composition of the Audit Committee	Status	Tenure in office	Meetings during 2021 (01.01.2021-31.12.2021) Total number of 16	Attendance rate of meetings
Alexios Pilavios	Chairman	07.06.2018 – 07.06.2022	16/16	100%
Konstantina Mavraki	Member	02.02.2021-07.06.2022	16/16	100%
Anthony Bartzokas	Member	15.06.2021-07.06.2022	16/16	100%
Ioannis Petrides	Member	07.06.2018 – 02.02.2021 (*)	1/16	100%
Constantine Cotsilinis	Member	07.06.2018 – 15.06.2021 (**)	7/16	100%

Attorney Mrs Vassiliki Prantzou is the **Committee's Secretary**.

(\*) On 02.02.2021, Mr. Petridis, after his appointment as a Lead Independent Director, in addition to his role as Chair of the Remuneration and Nomination Committee and due to the increased workload, resigned from the Committee and was succeeded by Mrs. Petridis. Mavraki, independent non-executive member of the Board of Directors.

(\*\*) The AGM of the Company's shareholders, in accordance with the provisions of article 44 of Law 4449/2017, as amended and in force, decided that the Committee will be a committee of the Board of Directors, which will consist of three independent non-executive members of the Board of Directors. Following the relevant decision, the Board of Directors has appointed three of its independent members as members of the Committee. In this context, Mr Bartzokas succeeded the outgoing Member of the Commission, Mr Kotsilinis who it has been decided, will continue to support the Committee providing services as an advisor.

#### Provision 25 Role of the audit committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities on the audit procedures to ensure compliance with the legal and regulatory framework regarding:

- (a) financial information;
- (b) the System of Internal Controls, including the Internal Audit Division, the Risk Management Function, and the Regulatory Compliance Function; and
- (c) supervision of the (external) statutory audit of the Company's individual and consolidated financial statements.

The main responsibilities of the Audit Committee are:

- to monitor the financial reporting process with the view to ensure its integrity;

- to monitor the effectiveness of the Company's system of internal controls, quality assurance and risk management and, where appropriate, of the Internal Audit Division as regards financial information (without impairing the independence of this Division and in accordance with the applicable legal and regulatory framework), as well as to have the day-to-day responsibility for management of the System of Internal Controls (the Board of Directors has ultimate responsibility for the effectiveness of the Company's System of Internal Controls);

- to review and approve the role and mandate of the Internal Audit Division, approve the annual internal audit plan and monitor, inspect and review the effectiveness of the function and work of the Internal Audit Division;

- to monitor the statutory audit of the annual and consolidated financial statements of the Company, and in particular its performance, as well as to review the effectiveness of the audit process, and to oversee the Company's relations with the statutory auditor (responsibility for the process of selecting the statutory auditor, annual assessment of its qualifications and independence, proposals to the Board on the appointment, reappointment and/or removal of the statutory auditor, etc.).

When requested by the Board, the Audit Committee assesses whether the annual financial report, including the annual financial statement and the management report, reflects in a true, fair, balanced and understandable manner the development, performance and financial position of the company and of the businesses included in group consolidation, taken as a whole.

The Committee considers and examines the most significant issues and risks that may have an impact on the Company's annual and interim financial statements and other periodic financial information, as well as the critical judgments and estimates made by Management in their preparation. For the above issues and risks the Committee has regard to matters communicated to it by the External Auditor, as well as his view of Management's estimates, and informs the Board.

The Board has ultimate responsibility for the Company's internal control and risk management systems, including the System of Financial Internal Controls and the Financial Risk Management System. It is in the Audit Committee's remit to oversee them and to inform the Board accordingly. There is no separate risk committee at board level.

The Committee has primary responsibility for the appointment of the key audit partner (external auditor). This includes negotiating the fee and scope of the audit, initiating a tender process, influencing the appointment of an engagement partner and making formal recommendations to the board on the appointment, reappointment and removal of the external auditors.

The Internal Audit Division is functionally independent of any other organizational unit of the Company. The Director of the Internal Audit Division is appointed by the Board on recommendation of the Audit Committee. It is up to the Committee to ensure that the internal audit functions in accordance with the International Standards for the Professional Practice of Internal Auditing. The Committee reviews and approves the role of the Internal Audit Division, approves the annual audit program and monitor, inspects and examines the effectiveness of its work.

The Audit Committee assesses the independence and objectivity of the annually in accordance with articles 21, 22, 23, 26 and 27 of law 4449/2017 and with articles 4 and 6 of Regulation (EU) no. 537/2014 and in particular assesses the appropriateness of the provision of non-audit services to the Company in accordance with article 5 of Regulation (EU) no. 537/2014.

The Audit Committee takes into account the regular auditor's annual declaration of independence and discusses with him threats that may call into question his independence, as well as ways to ensure that these threats are addressed. The Audit Committee examines whether the relationships, taking into account the views of the external auditor, the Management and the internal auditor, as appropriate, appear to affect the auditor's independence and objectivity.

The Committee assesses the effectiveness of the audit process considering of mind-set and culture; skills, character and knowledge; quality control; and judgment, including the robustness and perceptiveness of the auditors in handling key judgements, responding to questions from the Committee, and in its commentary where appropriate on the systems of internal control.

The Committee is responsible for approving non-audit services, that are not prohibited by law. The Committee ensures that the provision of such services does not impair the External Auditor's independence or objectivity by applying judgement, including assessing:

- threats to independence and objectivity resulting from the provision of such services and any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the auditor's independence and objectivity;
- the nature of the non-audit services;
- whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit service;

- the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee, including special terms and conditions (for example contingent fee arrangements); and

- the criteria which govern the compensation of the individuals performing the audit.

Further information on the remit, responsibilities and the modus operandi of the Audit Committee are available in the Committee's Terms of Reference, which have been released in the Company's website [www.mytilineos.gr](https://www.mytilineos.gr/who-we-are/governance/corporate-governance/committees#section1) at the following address: <https://www.mytilineos.gr/who-we-are/governance/corporate-governance/committees#section1>.

### Provision 26. Reporting on the audit committee

For 2021, the Audit Committee met frequently (16 times in total) and discussed on all the topics falling under the areas of its responsibilities, with main focus on: a) External Audit and Financial Reporting process, b) Internal Audit, c) Internal Control System, d) Organisational matters, e) Other topics relevant to the mandate of the Committee. All the Committee's decisions were unanimous.

All members of the Audit Committee attended all the meetings for 2021. The meetings of the Committee that concern the approval of the financial statements were attended by all the members of the Committee, as well as by the advisor, Mr. Cotsilinis, who is independent to the Company, and has sufficient knowledge and experience in auditing or accounting.

In addition to the members of the Committee, the Secretary and the Corporate Secretary participate in the meetings when they are not the same person. It is at the discretion of the Committee to invite, whenever deemed appropriate, other members of the Board, or other key persons from inside and outside the Company, to inform it and / or attend a specific meeting or specific items of the agenda. The Chief Financial Officer (CFO), the Treasury General Manager, the Internal Audit Director, the Compliance Director, the Non-financial enterprise risk Manager as well as the statutory auditor or audit firm are invited regularly to the Committee meetings, at the Committee Chair's initiative.

### Financial Reporting

#### **Publication of non-audited financial figures and other key information - «Flash Note»**

The Finance Division presented to the Committee the preliminary financial results which were published subsequently by the Company in the form of "Flash Note" for the financial year ended 31 December 2020, as well as for the period from 01 January 2021 to 30 June 2021 respectively. The aforementioned "Flash Note" referred to non-audited financial figures and estimates of the Management and forecasts relating to financial data or other events of the above periods. It is noted, however, that the external auditor carried out specific pre-agreed procedures on the "Flash Note", for the purpose of issuing "Comfort

Letter” to the Company’s Management. In the “Comfort Letter” of the external auditors, no disagreements were expressed with regards to the data reported through the “Flash Note”. The Committee did not identify any gaps or deviations in the information and safeguards provided to it and proposed to the Board the approval of the publication of the “Flash Note”. Finally, the Committee reviewed the relevant press releases on the “Flash Note”.

### **Financial Statements 2021**

In February 2022, the Audit Committee was informed by the Finance Division about the Company’s Financial Statements, both at company and at consolidated level, which were prepared in accordance with the IFRS for the year ended December 31, 2021. The Committee was also informed regarding the main accounting assumptions the Company adopted for preparing the Financial Statements which did not differ from those adopted by the Company in 2020, and regarding the key issues the Finance Division considered while preparing these Statements. The Committee was informed that the new or amended IFRS, that were firstly applied in 2021, did not have any significant impact to the Company.

The Committee discussed with the external auditor (Grant Thornton) and the Finance Division the key audit matters during the audit of the Company’s annual financial statements for the financial year ended 31.12.2021. The Committee drafted an explanatory report for the Board of Directors and recommended that the Board approves the Financial Statements. In this report, the Committee explained to the Board how the mandatory audit contributed to the integrity of financial reporting and what the role of the Committee was in this process. In this context, the Committee evaluated and concluded that the annual financial report, along with the annual financial statements and the annual management report of the Company, reflect in a true, fair, balanced and understandable manner the evolution, performance and position of the Company, as well as of the companies included in the consolidation, and provide the required information to the shareholders. The Committee also informed the Board that the external auditors have contributed substantially to the integrity of the Financial Statements with their experience and independent assurance that the financial statements reasonably present, in all material aspects, the financial position of the Company and the Group as at 31st December 2021, their financial performance and their cash flow for the year ended on that date.

### **Financial Results 1st quarter 2021**

The Finance Division informed the Committee on the financial results of 1st quarter 2021 and brought to its attention the draft relevant announcement to the investors. The Committee after receiving assurance on the correctness and accuracy of the information that will be made public, expressed its satisfaction for the Company progress.

### **Semi-Annual Financial Results 2021**

The Finance Division informed the Committee on the semi-annual financial results of 2021 and no gaps or deviations were identified in the assurance provided on the correctness and accuracy of the information. The Committee drafted an explanatory report on the review of the Company’s half-yearly individual and consolidated financial statements to the Board.

### **Financial Results 3rd quarter 2021**

The Finance Division informed the Committee on the financial results of 3rd quarter 2021 and brought to its attention the relevant draft announcement to the investors. The Committee after receiving assurance on the correctness and accuracy of the information that will be made public, expressed its satisfaction for the evolution the Company.

## **External Auditors**

### **Appointment of the external auditors**

The Audit Committee has primary responsibility for the appointment of the key audit partner (external auditor). This includes negotiating the fee and scope of the

audit, initiating a tender process, expressing an opinion regarding the appointment of an engagement partner and making formal recommendations to the Board on the appointment, reappointment and removal of the external auditors.

In April 2021, the Committee, after assessing the work of Grant Thornton, which is the Company’s external auditor, and taking into account, inter alia, the opinion of the Finance Division, decided to propose to the Board of Directors the reappointment of the audit firm Grant Thornton as external auditor for the fiscal year 2021.

The Committee, following dialogue between the Company and the shareholders, has agreed to schedule discussions within the year 2022, among others including the Finance Division, in order to initiate preparatory work for the conduct of a tender for the selection of a new external auditor, in the context of the implementation of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and the relevant transitional provisions of article 52 of Law 4449/2017 regarding the specific requirements for the statutory audit of public-interest entities.

### **Safeguarding independence and objectivity, and maintaining effectiveness**

In its relationship with the external auditor, the Committee needs to ensure that the external auditor retain their independence and objectivity and are effective in performing the statutory audit. Both the Board and the external auditor have policies and procedures designed to protect the independence and objectivity of the external auditor.

The Committee considered the external auditors annual declaration of independence and discussed with them threats that may threaten their independence, as well as ways to ensure that these threats are addressed. The Committee examined whether the relationships, considering the views of the external auditor, of the Management and of the internal audit, as appropriate, appear to affect the auditor’s independence and objectivity.

In 2021, the external auditors submitted to the Committee the declaration of their independence from the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements related to the audit of the financial statements in Greece.

## **Financial Statements**

The Audit Committee has devoted a significant time of its meetings in order to be informed and discuss on the process for the preparation of the annual and semi-annual Financial Statements. Main matters and activities performed are as follows:

Matter	Activity
Statutory Audit Planning	<p>The External Auditors presented to the Committee a report, which, inter alia, reflected the plan of communication between the external auditors and the Committee in relation to the timing of the statutory audit, of the separate and consolidated statements of the Company and its subsidiaries for the financial year 31.12.2021, the audit teams and specialists, as well as a reference to the key audit matters during the audit planning and in particular to the identified risks of the financial statements.</p>
Audit of Annual Financial Statements – Key Audit Matters	<p>The Committee monitored the audit of the Company’s annual financial statements for the financial year ended 31.12.2021 by the external auditors.</p> <p>The external auditors commented, inter alia, on the determination of materiality and discussed with the Committee on the methodology and parameters for its determination. More specifically, the external auditors informed the Committee that for the calculation of materiality, the Earnings Before Tax has been defined as an appropriate benchmark, given that the Company is listed on the Athens Stock Exchange</p> <p>In the discussions with the external auditors, particular emphasis was placed on the “<b>Key Audit Matters</b>” as identified by the external auditors, and how they these were treated during the audit.</p> <ul style="list-style-type: none"> <li>• <b>Revenue Recognition:</b> this was considered as a key audit matter, given the complexity of the volume of transactions, the use of IT systems as well as management’s judgements and estimates, which include a degree of uncertainty.</li> <li>• <b>Assessment of whether non-current assets may be impaired:</b> this was as a key audit matter, given the significant amounts of these assets and the use of management’s assumptions and estimates for the determination of the relative recoverable amounts.</li> <li>• <b>Provisions and contingent liabilities:</b> The determination of provisions or disclosures of contingent liabilities and contingent assets which relate to litigation claims and arbitration procedures has been considered as a key audit matter as it includes significant management judgments based on legal advisors’ estimations.</li> </ul> <p>The Committee examined and discussed in detail the above issues with the external auditors, without the presence of executives of the Company’s Finance Division.</p>
Report of the Audit Committee to the Board of Directors on the Financial Statements 2020	<p>The Committee, following the review of the Financial Statements of the parent company and the Group for the year ended 31st December 2020 and the discussions held with the Finance Division and the external auditors, proposed their approval to the Board.</p>
Tax Audit	<p>The external auditors, in a meeting with the Committee without the presence of executives of the Company’s Finance Division, informed the members of the Committee about:</p> <ul style="list-style-type: none"> <li>• the completion of the tax audit which they carried out in accordance with Article 65A para. 1 of Law 4174/2013 and POL.1124/2015, as amended in force, for the Company itself and those of its Greek subsidiaries that have been subject to the tax audit for the year 2020.</li> <li>• the Tax Compliance Reports issued in the context of the above tax audit and the evolution of tax audits by the authorities.</li> </ul>

Matter	Activity
Review of Interim Financial Statements	The external auditors informed, through a relevant report/ presentation, the Committee on their review of the Interim Financial Statements for the first half of 2021 carried out in accordance with ISA. The auditors referred, inter alia, to the scope and areas, as well as their procedures for the review of the Group, the determination of materiality, non- unrecorded misstatements and the key issues of their review.
Additional Report to the Audit Committee for 2021	The External Auditors submitted and presented to the Committee their additional report, as provided by article 11 of EU Regulation 537/2014 on their audit of the Company and Group Financial Statements for the year ended 31 December 2021.
Additional Report to the Audit Committee for 2020	The External Auditors submitted and presented to the Committee their additional report, as provided by article 11 of EU Regulation 537/2014 on their audit of the Company and Group Financial Statements for the year ended 31 December 2020.

#### **Use of the external auditors for non-audit services**

The Audit Committee monitors the external auditors' compliance with the provisions of Regulation (EU) No 537/ 2014, as in force, regarding the level of the total fees paid by the Company to them in proportion to the overall fee income of the Statutory Auditor or their overall fee income from audit services, as well as other related regulatory requirements, so that the external auditor's independence and objectivity is not impaired by the amount of work provided to the Company.

The Committee is responsible for approving non-audit services to the Group entities that are not prohibited by law. The Committee considers that the external auditors have significant knowledge of the Group's business and of how accounting policies are applied. That means it is sometimes cost-efficient for them to provide non-audit services. There may also be confidentiality reasons that make the external auditors the preferred choice for a particular non-audit assignment.

However, safeguarding the external auditors' objectivity and independence is an overriding priority. For this reason, the Committee ensures that the provision of such services does not impair the External Auditor's independence or objectivity.

In the context of non-audit services, whose provision by the Statutory Auditor is not prohibited by law, the Committee should apply judgement on and assess the following:

- threats to independence and objectivity resulting from the provision of such services and any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the auditor's independence and objectivity,
- the nature of the non-audit services,
- whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit services,
- the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee, including special terms and conditions (for example contingent fee arrangements), and
- the criteria which govern the compensation of the individuals performing the audit.

During 2021, the Committee examined the non-audit services that were proposed to be performed by the external auditor for the Company or subsidiaries of the Group, where the Committee, after evaluating the nature of proposed services and receiving relevant clarifications, declarations and assurance from the external auditor, considered that they did not pose a threat to the external auditor's inde-

pendence in accordance with the provisions of article 44 of Law 4449/2017 and article 5 of Regulation (EU) 537/2014. The relevant non-audit services concerned pre-agreed procedures (a) in relation to the preparation of the financial statements (including the Explanatory Notes), which would concern fund agreements, calculations, drafts, data collection, analysis and related processing thereof, with the note that these analysis would be based on an approved trial by each Management function, as well as that the adjustment entries would be subject to the approval of the each Management function of the subsidiaries, (b) in the context of supporting the respective Management function for the technical implementation of the conversion processes to IFRS, (c) on the calculation of financial indicators of the Company and its subsidiaries in the context of their compliance with the requirements of loan agreements with the creditors (banks), (d) regarding the proper compilation of the company's financial statements per activity / sector, in accordance with the provisions of Law 4001/2001, (d) for the audit of the Remuneration Report of the Company, (e) on each Flash Report and Trading Update of the Company, (f) for the issuance of comfort letter and bring down letter in the context of the issuance of bonds by the Company, negotiable in the Luxembourg Euro MFT Market, (g) for the issuance of assurance reports in the context of the examination of the implementation of the financial scope of the Company's investment plans and its subsidiaries that have been subject to the provisions of Law 4399/2016, and (h) on the financial data for the table " CONSTRUCTION EXPERIENCE AND COMPETENCE DATA " in the context of the Company's participation in public tenders.

Neither the work done, nor the fees payable of the assigned non audit services, compromised the independence or objectivity of our external auditors.

## Internal Audit

In monitoring the activity, role and effectiveness of the Internal Audit Division (IAD) and their audit program the Committee had frequent meetings with the Internal Audit Director. The main matters examined through 2021 related to the following:

Matter	Activity
Internal Audit Results	The Committee was informed by the Internal Audit Division regarding the audits performed and the reports issued during 2021. The Committee considered the major findings of the internal audits, as well as Management's response.
Internal Audit Plan 2022	The Committee was informed by the Internal Audit Division about the progress of the preparation of the audit plan for the year 2022.
Internal Audit Coverage	The Committee monitored the progress of internal audit assignments performed by the Internal Audit Division, which related to the coverage of key risk areas, based on the risk based Internal Audit Plan 2021.
Annual Evaluation of the Internal Audit Director	The Committee, within the 2nd quarter of 2021 finalized the evaluation of the Internal Audit Division's Director.
Succession Plan of the Internal Audit Director	The Committee, in the context of the implementation of best practices and considering the needs of the Company and the market conditions, discussed on the succession planning process of the Internal Audit Director.



## Internal Control System

Specific related matters that the Committee considered for the year 2021 included the following activities:

Matter	Activity
Financial Risks	The Committee was informed by the Finance Division and the Risk Management Division regarding the management of financial risks.
ESG Risks	The Committee was informed by the Corporate Governance and Sustainability General Division about the main ESG risk categories and the role the Sustainability Division in ESG risk management and mitigation.
Project for the assessment of the adequacy of the procedures of central and support function within the COSO 2013 framework	The Committee was informed about the progress of the project "Assessment of the adequacy of the processes of central and support functions within the framework of COSO 2013 Internal Control System" by the Management, as well as by the external consultant to whom the relevant project has been assigned.
Information Systems Security	The Committee discussed with the Information Technology Division about the security of the IT systems. A presentation for the topic of "Cyber Security - Global threat landscape and MYTILINEOS perspective" was performed.
Evaluation of the internal control procedures over financial reporting of the Company and the Group by the External Auditors	The external auditors presented to the Committee their report for the evaluation of the internal control procedures over financial reporting of the Company and the Group based on their audit for the year 2020 (Management letter).
Regulatory Compliance	The Committee was informed by the Compliance Division on the work, results and planning of its activities.

## Other significant matters

Matter	Activity
Management Information System (MIS)	The Committee was informed on MIS matters by the Finance Division.
Infrastructure Projects	The Committee was informed on infrastructure projects by the Infrastructure Segment of the Sustainable Engineering Solutions (SES) Business Unit.
European climate goals & Sustainable Finance	The Committee was informed by the European Affairs Division on the following issues: <ul style="list-style-type: none"> <li>• Fit for 55: The European Commission's legislative proposals to achieve Europe's climate goals.</li> <li>• Sustainable Finance/EU Taxonomy: Disclosure requirements</li> </ul>
Work program for 2022	The Committee approved its working program for the year 2022.
Reports to the Board of Directors	The Committee prepared and submitted reports on its activities to the Board of Directors for the year ended 31 December 2020, and for the quarters ended 31 December 2021, 31 March 2021, 30 June 2021, and September 30, 2021.
Annual Report on the activities of the Audit Committee for the year ended 2020	The Committee submitted its Annual Report on its activities for the year ended 2020 to the General Assembly of the Shareholders of 15th June 2021.

The Audit Committee expressed its satisfaction for the above information and the progress of the relevant work/projects in progress.

### Provision 27. Confirmation that the annual report is a fair, balanced and understandable representation

The directors certify that (a) the annual financial statements of the Company drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of Mytilineos, as well as of the businesses included in the Group consolidation, taken as a whole and also that (b) the Management Report of the Board of Directors reflects in a true manner the development, performance and financial position Mytilineos and of the businesses included in the Group consolidation, taken as a whole, including the description of the principal risks and uncertainties. The directors state that they consider the annual report and accounts, taken as a whole, as fair, balanced and understandable.

### Provision 28. Risk assessment

Financial and non-financial risk assessment is provided in the Board's Management Report included in the Annual Report.

### Provision 29. Risk management and internal controls

The Board of Directors re-examines in a continuous and consistent way the corporate strategy and the principal business risks, especially in a constantly changing financial and business environment. Moreover, the Board receives at regular intervals from the Audit Committee reports on

the activities of the audits carried out, based on the annual schedule of audits planned by the Company's Internal Audit Division. The above allow the Board to form a detailed opinion of the effectiveness of the systems, processes and regulations of the Company.

### Provision 30. Going concern statement

In the annual and half-yearly financial statements, the Board states that such statements have been compiled based on the historic cost principle as amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

### Provision 31. Viability statement

The Company does not prepare a separate viability statement. The annual report includes an assessment of the going concern activity for a period of 12 months from the date of the financial statements as well as an analysis of the risks to which the Group is exposed, with a list of the actions that limit them, as well as sensitivity analyses to various variables.

In combination, the above disclosures provide information on the viability of the Group and are in line with both the accounting framework followed (International Financial Reporting Standards) and the requirements of Greek Legislation regarding the obligations and responsibilities of the members of the Board of Directors and those responsible for the preparation of the annual report.

## 1.5. Remuneration

### Principle P: Long-term focused remuneration

The Board Remuneration Policy was approved in its original form by the AGM's resolution of the shareholders of Mytilineos dated June 24, 2019 and has been amended by virtue of the AGM's resolution of the shareholders dated June 15, 2021. The main amendment put into effect the Long-Term Incentive Plan so to further support the long-term focus of the remuneration practices of the Company. All of the amendments are marked in blue in the table that follows. The Policy shall be effective for four [4] years from the date it was originally approved, i.e. until June 2023. The Policy was prepared with the help of an external consultant, Korn Ferry, and is in accordance with the EU Shareholder Rights Directive, as incorporated into Greek legislation by virtue of Law 4548/2018.

The Policy applies to the remuneration of all Company's members of the Board of Directors. The Policy sets out details of both (i) the current rights and obligations; and (ii) the terms under which future remuneration may be offered to current and / or new Directors as long as the Policy is in Force.

The Policy considers European best practices for listed entities, whilst reflecting the current Executive Directors' remuneration arrangements. In addition, the Policy takes into consideration the provisions of the Company's articles of association, the Company's corporate governance code and the Company's by-laws.

In short the board remuneration policy is as follows:

### Executive Directors of the Board

#### Principles of Remuneration Policy

The remuneration policy for the Executive Directors contributes to the Company's business strategy and long-term interests and sustainability by:

- Providing a fair and appropriate level of fixed remuneration that does not result in over reliance on variable pay and undue risk taking, thereby encouraging the Executive Director to focus on sustained long-term value creation.
- Providing a balance of short and long-term incentives to ensure there is focus on short term objectives that will over time build to create long-term value creation, as well as long-term goals.
- Expecting Executive Directors to acquire and retain shares in the Company thereby being aligned to the long-term performance and sustainability of the Company and its shareholders.
- Including long-term incentives where the reward is delivered in shares which aligns Executive Directors to shareholder interests and value, as well as the performance of the Company over the longer term.
- Requiring performance measures in any long-term incentive to be measured over the longer-term.

### Short-Term Incentive Plan

<b>Form of compensation</b>	Cash <b>and/or</b> shares
<b>Value determination (on-target performance)</b>	CEO: up to 125% of fixed remuneration Other Executive Directors: up to 50% of fixed remuneration
<b>Targets</b>	<ul style="list-style-type: none"> <li>• Financial targets (at least 60% weight)</li> <li>• Non-financial targets (up to 40% weight)</li> </ul> <p>NB: To activate the Short-Term Incentive Program, the Company must achieve at least 85% of the EBITDA target. In addition, the Short-Term Incentive Program pay-out is subject to the achievement of a predefined target in terms of environmental, health and safety, as well as corporate social responsibility criteria. In case those are not met, the pay-out is decreased according to the level of achievement.</p>
<b>Maximum performance Scenario</b>	Up to 200% of the on-target incentive payout

## Long-Term Incentive Plan

<b>Form of compensation</b>	Shares or in cash equivalent, provided to the Executive Director to buy company shares at 30% of total value granted and to hold them for 2 years
<b>Value determination (on-target performance) for granted shares</b>	CEO: 100% of fixed remuneration Other Executive Directors: 60% of fixed remuneration
<b>Criteria for vesting</b>	<ul style="list-style-type: none"> <li>• <b>TSR relative to FTSE/ATHEX Large Cap excluding banks</b></li> <li>• <b>Absolute target for EPS</b></li> </ul>
<b>Maximum performance Scenario</b>	150% of the on-target incentive payout
<b>Vesting Schedule</b>	30% on year 4, 30% on year 5, 40% on year 6

## Non-Executive Directors

### Key Remuneration Principles

The Non-Executive Directors are paid a basic board fee which is fixed and covers for the time required to perform their duties. This fixed fee covers for the time to attend in Board meetings and includes travelling and preparation time. Supplemental fees may be paid to the Non-Executive Directors for additional responsibilities and activities, which exceed the scope of the duties assigned including but not limited to, attending site visits, and meetings with management. The Remuneration Policy was amended to clarify that there are no fees payable to independent non-executive directors other than for their participation to the Board and/or its Committees.

There is no performance-based variable pay or pension provided to the non-executive Chairman or Non-Executive Directors.

Reasonable business expenses incurred by the Non-Executive Directors in carrying out their duties may be reimbursed by the Company such as professional courses, purchasing reading material to ensure they are up to date on any relevant matters, taking into account any internal policy that is applicable.

The complete remuneration policy document is available on the Company's website at <https://www.mytilineos.gr/media/vowkemcd/mytilineos-rem-policy-2021eng.pdf>.

### Principle Q: Transparent remuneration procedures

The Remuneration and Nomination Committee of the Company (the "Committee") has worked with all relevant units of the Company, as well as an independent remuneration consultant (Korn Ferry), to arrive at the Remuneration Policy, which has been recommended to and approved by the Board of Directors by virtue of a resolution dated 9 May 2019. Further the abovementioned amendments have been recommended by the Committee to and approved by the Board by virtue of a resolution dated 12 May 2021.

The process for the approval of the Policy (and any amendments thereto) is determined by the Company's articles of association and Law 4548/2018.

The Committee submits the Policy for approval to the Board of Directors. No member of the Board of Directors shall be present when their own remuneration is discussed. Once agreed by the Board of Directors, the Policy is submitted for approval at the Company's AGM of Shareholders.

The Committee considers regularly whether the Policy continues to be aligned to the Company's business strategy or whether amendments should be recommended to the Board of Directors. Every four years (or earlier on a need for change) on the recommendation of the Committee, the Board of Directors will seek the Shareholders' approval of any new Policy.

### Principle R: Exercising discretion

The aim of the Remuneration Policy is to ensure the Company is remunerating its Directors on the basis of the Company's short and long-term business plan, so as to continue creating value for customers, shareholders, employees and the Greek economy.

The level of fixed pay – salary and directors' emoluments – for both Executive and Non-Executive Directors is established on the basis of paying fair and reasonable remuneration for the best and most appropriate person for the role, taking into account the level of responsibility, as well as the knowledge and experience required to deliver upon expectations, while ensuring that the Company pays no more than is necessary, always supporting its longer-term interests and sustainability.

The Policy provides for variable compensation arrangements for Executive Directors to further align the Executive Directors' interests with those of the Company as the performance conditions used will be based on indicators of the long-term success and sustainability of the Company.

The Policy does not include any variable compensation for Non-Executive Directors to ensure that there is no conflict of interest in the decision making of the Non-Executive Directors and their ability to challenge management's risk-taking decisions.

### Provision 32. Remuneration and Nomination Committee composition

As mentioned under Provision 17, the Company has a combined Remuneration and Nomination Committee which examines and processes issues pertaining to: (a) the remuneration of Board members (the "directors") and of senior and other executives; and (b) the suitability of existing and candidate directors, within the scope of its remit under these Terms of Reference. The Committee revisited its Terms of Reference, which were approved and put into effect by the Resolution of the Board of Directors dated 26.07.2021, following relevant proposals submitted by the Committee.

The remuneration responsibilities of the Remuneration and Nomination Committee include the following:

- to propose the Remuneration Policy to the Board, which shall then be submitted for approval at the General Meeting of the Company's Shareholders, as well as the framework for the type and amount of remuneration of the directors (particularly that of the Chairman of the Board, the Chief Executive Officer and the executive directors), and the type and amount of remuneration of senior management who are members of the Executive Committee; and to formulate proposals to the Board regarding the remuneration of the other Company executives, in particular of the head of the Internal Audit Division;
- to determine the policy for and scope of pension arrangements for executive Directors;
- to review the appropriateness and relevance of the Remuneration Policy for Directors;
- to propose the annual Remuneration Report to the Board.

The Committee Chair informs the Board regarding the Committee's work on all matters falling within its remit and the manner in which it has fulfilled its duties; submitting a report in this regard in accordance with the UK Corporate Governance Code, which the Company implements.

The Committee Chair has served on a remuneration committee for 15 months prior to his appointment. The Chairman of the Board may be a Committee member only if they are an independent non-executive Director on appointment as Chairman of the Board. In any case, the Chairman of the Board cannot chair the Committee.

The Remuneration and Nomination Committee was established, under its current composition, by decision of the Board of Directors of 07.06.2018 and is currently composed of three (3) independent non-executive members of the Board of Directors, whose term of office is due to expire on 07/06/2022 .

The Remuneration and Nomination Committee meets regularly and informs the Board following each meeting.

Information on the composition, meetings and activities of the Remuneration and Nomination Committee during the year 2021 are listed below.

### Composition and meetings of the Remuneration and Nomination Committee in 2021

<i>Composition of the Remuneration and Nomination Committee</i>	<i>Status</i>	<i>Tenure in office</i>	<i>Meetings in 2021</i>	<i>Attendance rate of meetings</i>
Ioannis Petridis	Chair	07.06.2018-31.12.2019	4/4	100%
Emmanouil Kakaras	Member	07.06.2018-07.06.2022	4/4	100%
Konstantina Mavraki	Member	07.06.2018-07.06.2022	4/4	100%

The **Committee's Secretary** is the Company Secretary Mrs Leda Condoyanni, with Mr Panagiotis Psarreas as her Deputy Company Secretary.

Further information on the remit, responsibilities and the modus operandi of the Remuneration and Nomination Committee are available in the Committee's Terms of Reference, which have been released in the Company's website [www.mytilineos.gr](http://www.mytilineos.gr) at the following address: <https://www.mytilineos.gr/who-we-are/governance/corporate-governance/committees#section4> .

**Provision 33. Role of the remuneration committee**

The Committee has not delegated responsibility but submits the policy for executive director remuneration to the Board for approval.

Fixed pay for the Chair, who is also the CEO currently, and for the executives of the Company is set by the Board of Directors upon the recommendation of the Committee, taking into account levels of pay at other companies of a similar size for roles of similar scope and responsibility. Additionally, the contract for the Chair/CEO has been approved by a resolution of the general meeting of shareholders.

The remuneration policy for the Executive Directors, as for all employees, is based on the principle of paying fair and reasonable remuneration for the best and most appropriate person for the role while ensuring that the Company pays fairly and competitively and in the longer-term interests and sustainability of the Company.

The Committee and Board of Directors receive periodic updates on the wider employee remuneration structure and practices within the Company, which are considered when establishing and revisiting the Policy. This is to ensure that remuneration practices and structure are as consistent as possible across the Company, while acknowledging that the structure of remuneration for Executive Directors is necessarily different to that of less senior employees as a result of their role and ability to impact the performance of the business.

In addition, the Committee and Board of Directors are provided with information on remuneration trends across the Company including average pay increases along with any relevant economic data, such as the rate of inflation to take into account when operating the Policy.

**Provision 34. Non-executive director remuneration**

The remuneration of the non-executive directors is determined by the Board on the recommendation of the Chairman and CEO in accordance with the remuneration policy. The remuneration of non-executive directors is not comparable to the structure of remuneration for the employees and executive directors of the Company. The Non-Executive Directors are paid a basic board fee which is fixed and covers for the time required to perform their duties. Supplemental fees may be paid to the Non-Executive Directors for additional responsibilities and activities, which exceed the scope of the duties assigned including but not limited to, attending site visits, and meetings with management. The Remuneration Policy was amended to clarify that there are no fees payable to independent non-executive directors other than for their participation to the Board and/or its Committees.

**Provision 35. Use of remuneration consultants**

The Remuneration and Nomination Committee appointed Korn Ferry, an independent remuneration consultant, to work with the committee in drafting the policy. The consultant assisted the Committee in their engagement with the Management Team and worked with all the relevant management units of the company. To arrive at the Policy the consultant discussed with the Committee the requirements of Law 4548/2018, which transposed the SRDII, and the UK Corporate Governance Code. The consultant also assisted the Committee for the amendments of the Remuneration Policy of 2021. Korn Ferry is not affiliated with members of the Board of Directors and provides remuneration consulting services to the General Division of Human Resources.

**Provision 36. Durations of retention**

In the Long-Term Incentive Program, the fees are set at 30% in year 4, 30% in year 5 and 40% in year 6. With the approval of the Board of Directors, the payment can be made in shares or in the equivalent of value in cash with the obligation of the Executive member of the Board

of Directors to buy shares of the Company, at a rate of 30% of the total value granted, as well as to hold them for 2 years.

**Provision 37. Discretion and recovery**

Temporary derogations from the Policy may be allowed in exceptional circumstances, for example in circumstances of recruitment or retention, where it is considered by the Board of Directors necessary to serve the long-term interests and sustainability of the Company as a whole, or to assure its viability. Any derogation is required to be considered and approved by the Board of Directors. The elements of the Policy from which a derogation is possible are those which determine short and long-term incentives.

Payments under the short-term incentive scheme will be subject to recovery for a period of at least 3 years from payment in the event of certain specified events including inaccurate financial statements of previous years or otherwise erroneous financial data used to calculate such short-term incentive scheme payouts and misconduct.

**Provision 38. Pension Contributions**

Retirement allowance is offered to executives in order to provide market competitive retirement benefits for recruitment and retention purposes. The Company may operate - not currently in force - a defined-contribution pension plan in which the Executive Directors may participate. The maximum contribution from the Company for Executive Directors is up to 25% of Fixed Pay.

**Provision 39. Contract periods and bonuses on appointment and departure**

The Remuneration and Nomination Committee ensures compensation commitments in directors' terms of appointment do not reward poor performance. In case of termination of contractual arrangements with Executive Directors at the initiative of the Company, notice periods and termination payments shall be as provided by the current legal requirements in the Board Remuneration Policy.

Currently, according to law, notice periods are up to 4 months based on the years of employment while the maximum amount for severance are up to 12 monthly salaries based on the years of employment. Executive Directors of the Board, in their capacity as such, are not entitled to severance payments or other compensation by the Company, for loss of office or otherwise howsoever arising.

There is however a contract for provision of services between the Company and the current Chairman and CEO, the terms of which, as approved by the ordinary general meeting of shareholders on 7th June 2018, provide, among others, for right to termination of the contract and compensation in case of change of control of the Company (including as a result of a Public Acquisition Offer).

Last, payments under both the short-term and long-term incentive schemes will be subject to recovery for a period of at least 3 years from payment in the event of certain specified events including inaccurate financial statements of previous years or otherwise erroneous financial data used to calculate such short-term incentive scheme payouts and misconduct.

#### **Provision 40. Design of remuneration policy**

The remuneration policy for the Executive Directors, as for all employees, is based on the principle of paying fair and reasonable remuneration for the best and most appropriate person for the role while ensuring that the Company pays fairly and competitively and in the longer-term interests and sustainability of the Company. Shareholder voting guidelines on Executive Directors' remuneration and best practice were taken into consideration as part of the process in formulating the Board Remuneration Policy.

The Committee and Board of Directors receive periodic updates on the wider employee remuneration structure and practices within the Company, which are considered when establishing and revisiting the Policy. Also the General Manager of Human Resources is invited to attend all or part of any meeting of the Committee to provide input on employment trends.

#### **Provision 41. Reporting on the remuneration committee**

The Remuneration and Nomination Committee held four (4) meetings. All members of the Committee attended all the meetings.

The Remuneration and Nomination Committee, worked with an independent remuneration consultant (Korn Ferry), to prepare for the second Remuneration Report of the members of the Board of Directors in accordance with the current legislation and the SRD II, which was transposed into Greek law by Law 4548/2018 [[https://www.mytilineos.gr/media/uhre5plr/item\\_3-mytilineos\\_rem\\_report\\_2020\\_en.pdf](https://www.mytilineos.gr/media/uhre5plr/item_3-mytilineos_rem_report_2020_en.pdf)]. The drafting of the Remuneration Report of the Board of Directors 2020 took into account the consultation of the European Commission, of 1 March 2019, regarding the guidelines for the standard presentation of the Remuneration Report under Community Directive 2007/36/EC, as amended by EU Directive 2017/828 regarding the encouragement of long-term active participation of shareholders (SRD II). The external auditors prepared a report on the pre-agreed procedures [[https://www.mytilineos.gr/media/kvqlhkha/item-3-gt\\_remuneration\\_report\\_%CE%BC%CF%85%CF%84eng.pdf](https://www.mytilineos.gr/media/kvqlhkha/item-3-gt_remuneration_report_%CE%BC%CF%85%CF%84eng.pdf)].

The Report describes how the Remuneration Policy 2019 was implemented, taking into account the basic remuneration principles, remuneration design planning, as well as the actual performance achieved at Company and executive level, during the year 2020. The Report describes how the views of key institutional shareholders of the Company, where taken into account following the shareholder engagement that took place during the first CG Roadshow. Furthermore, the Remuneration and Nomination Committee approved the project "Benchmarking Remuneration 2021" concerning the remuneration of the executive and non-executive members of the Board of Directors for which the Committee worked with an independent remuneration consultant (Korn Ferry).

The Remuneration and Nomination Committee has ensured that the remuneration of the Executive Members of the Board of Directors is in line with and the operational strategy of MYTILINEOS and that they support it. This alignment is achieved as strategic business objectives are taken as the basis for setting the financial and strategic individual objectives of the Executive Board members.

The Report was submitted to the Board for approval and to the 2021 AGM for an advisory vote and received positive votes at a rate of 99.45% [[https://www.mytilineos.gr/media/3xeb5cpk/voting\\_results-31st\\_annual\\_general\\_meeting\\_15-06-2021\\_eng.pdf](https://www.mytilineos.gr/media/3xeb5cpk/voting_results-31st_annual_general_meeting_15-06-2021_eng.pdf)].

During 2021, the Remuneration and Nomination Committee discussed and approved the LTIP and the STIP for the executive members of the Board and submitted it to the Board for approval.

Furthermore, the Remuneration and Nomination Committee discussed and approved amendments to the Remuneration Policy 2019 and submitted them for approval to the Board. The amendments were finally approved by virtue of the AGM's resolution of the shareholders dated June 15, 2021. The main amendment put into effect the Long-Term Incentive Plan so to further support the long-term focus of the remuneration practices of the Company. The Policy shall be effective for four [4] years from the date it was originally approved, i.e. until June 2023.

## **2. Composition and functioning of the board of directors**

### **2.1. Role and responsibilities of the board**

**2.1.1.** Acting collectively, the Board of Directors is entrusted with the governance, i.e. management and representation, of the Company and has authority to decide on all matters relevant to the administration of the Company, management of the Company's property and the pursuit of the object of the Company, except for those matters which under the law or under the Articles of Association fall within the exclusive authority of the General Meeting, with the aim of strengthening the Company's economic value and profitability, of promoting its long-term sustainable success and of safeguarding the Company's interests. The Board is furthermore entrusted with the full and effective control of the Company business and acts in conformance with the provisions of law and the Articles of Association.

The Board of Directors holds a meeting whenever the law, the Articles of Association or the needs of the Company so dictate. It is the Company's practice that the Board of Directors meets regularly at least once per month, and several times on an extraordinary basis whenever important issues arise or there is a need for immediate decision-making. The regular meetings of the Board of Directors are usually attended by all Board members. Thus far, the Board of Directors has never postponed making a decision because of lack of quorum.

According to the Articles of Association and the Company's Internal Regulation, the main responsibilities of the Board of Directors include, indicatively, the following:

- Setting the strategic directions, including the sale or other disposal of the Company's shares, the acquisition of any enterprise or the proposal for the merging of the Company with another enterprise, which are submitted for final approval by the General Meeting of the Company's shareholders.