



# Remuneration Report 2021

Board of Directors

In accordance with the applicable provisions, this Board Remuneration Report (the “Report”) describes the remuneration paid to Members of the Board of Directors of MYTILINEOS. In drafting the 2021 Board Remuneration Report, we considered the communication from the Commission, in March 1 2019, regarding the guidelines on the standardized presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement (SRD II).

## 1. Introduction

During 2021, the Remuneration and Nomination Committee focused on the amendment of the remuneration policy, the introduction of the Long-Term Incentive Plan and the introduction of a one-off share plan.

This is the third Report, following the introduction of the 2019 Remuneration Policy and its amendment within 2021. The Report describes how the aforementioned policy was applied, in alignment with the Greek law 4548/18 and SRD II. More specifically, the current Board Remuneration report considers the key remuneration principles, the remuneration design and the actual performance exhibited at Company and individual level, during 2021.

The Remuneration and Nomination Committee (the “Committee”) ensures that the remuneration paid to the Executive Directors of the Board, is closely aligned with and reinforces MYTILINEOS’s strategy. This alignment is achieved by using the strategic objectives to set financial and individual strategic objectives for the Executive Directors of the Board. This process forms part of the annual Board calendar, with the targets approved in the beginning of the financial year. The Company’s strategic priorities are focused on:

- generating significant operating cash flow through our diversified business model; in 2021 the Company maintained high level of financial Liquidity as well as below market Leverage
- strong value generation sourced mainly from organic growth,
- continuing cost optimization, vertically integrated production model and strict cost control, ensuring strong financial performance even during periods of consistent upward pressure in Raw Material prices
- diversified business model and synergies among Business Units
- expanding revenue by increasing market share in the Power and Gas Unit,
- continuously improving our corporate governance framework



- supporting the transition to a low carbon economy through expansion of RES globally, and a new focus towards engineering for sustainability projects
- strong Commitment to ESG and Health & Safety, targeting to reduce emissions by 30% by 2030 and achieve net zero by 2050
- the implementation / support of major initiatives that contribute substantially to the achievement of the 17 Sustainable Development Goals established by the UN and of the corresponding national priorities.

## 2. Shareholder engagement

As per previous years' practice since we launched the Board Remuneration Policy in 2019, we consulted with the stewardship teams of key institutional shareholders. Additionally, we met with ISS and Glass Lewis, given the importance of the views of these proxy advisers and the engagement of their services by many of our shareholders. These meetings were virtual, all with our a) Committee Chair & Lead Independent Director, b) the General Manager of Corporate Governance & Sustainable Development and Executive Director of the Board and c) the Director of Corporate Governance & Company Secretary, d) Sustainable Development Director and e) Head of Investor Relations.

The Committee reviewed and discussed all the advice and feedback received during the engagement. The Board and the Committee would like to thank all shareholders and proxy advisers for their feedback and advice.

This year, this was particularly important as we are getting prepared for the Remuneration Policy revision, which will start within 2022, so as to finalize in 2023.

## 3. How we performed in 2021

2021 was a milestone in MYTILINEOS's history. We have achieved record-high profitability levels while at the same time we built the foundations for value creation for our shareholders for the years to come through the largest investment program in our history, which exceeded €379m.

More specifically,

- Turnover amounted €2,664 million compared to €1,899 million in 2020, recording a 40% growth. All business units contributed to this remarkable growth. Power & Gas and Sustainable Engineering Solutions had the biggest stake in this growth.
- EBITDA stood at € 359 million compared to € 315 million in 2020, benefiting from the strong performance of the Sustainable Engineering Solutions Business Unit and to Metallurgy.
- EPS had a 31% YoY growth, setting the right tone in our aspiration for delivering long-term value for our shareholders.
- Strong cash generation of € 603 million despite all global challenges running at a 22% YoY growth rate.



- Considerable liquidity level, which stands at € 1.5 billion running with a 12% YoY growth and comprising of cash and credit sufficient to fund the Company's Growth plans.

Looking into more detail the performance of the Company's Business Units, the following are the main highlights:

- Power & Gas Business Unit repeated in 2021 the strong performance of 2020, despite both the Natural Gas price surge and the anticipated lower production from the Korinthos Power unit due to a scheduled major inspection. With sales of € 1,261 million in 2021, the Power & Gas Business Unit marked a 36% increase and represents 47% of the Company's total sales turnover.
- Metallurgy Business Unit recorded a turnover of € 668 million compared to € 537 million of 2020, representing 25% of the total Company turnover, while EBITDA reached €159 million realizing an increase of 6.8% since 2020. Alumina Refinery and Aluminium Smelter were positioned competitively in the global cost curve, whilst constantly enhancing their Green credentials. In 2021 MYTILINEOS recorded the largest cumulative production of primary and recycled Aluminium and Alumina, with further production increase expected for both secondary Aluminium, as well as Alumina.
- Renewables and Storage Development Business Unit (RSD) is well positioned to benefit from the acceleration of Global Energy transition, with its own portfolio of solar PV projects with total capacity of c.5GW. Sales in 2021 reached € 365 million representing 14% of total sales turnover, while the growth since 2020 was remarkable reaching almost 40% since 2020.
- Finally, Sustainable Engineering Solutions Business Unit (SES) performance rebounded after a transition year and managed to increase its total pipeline by more than 50% and consequently increased its revenue by 116% since 2020 reaching € 371 mil and representing 14% of the total turnover, while it returned considerably profitable.

#### 4. Board Remuneration Policy

The objective of MYTILINEOS's 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.

Within 2021, the Committee focused on the amendment of our Remuneration Policy (Policy) of June 24, 2019. Our 2021 Policy received 99.05% votes in favour and ensured we met or exceeded important governance standards, as per our promise to our shareholders. These changes mainly related to the LTI Plan structure.



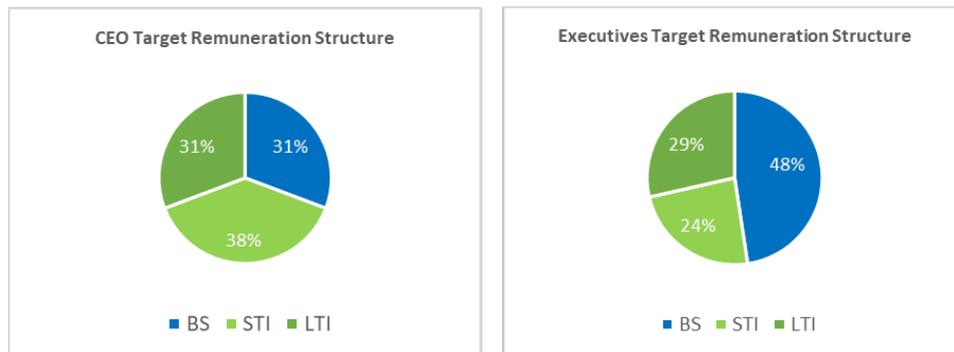
## Remuneration of the Board's Executive Directors

### Key Remuneration Principles and Target Mix

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.
- By 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.
- By 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.
- By 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.
- By requiring performance measures in any long-term incentive to be measured over the longer-term.

The following pie charts represent the fix/variable pay mix for both the CEO and other Board members in case of an on-target performance:



### Peer Group

As of 2019, two peer groups are being considered for the remuneration level and design. The 1<sup>st</sup> peer group consists of European sector-specific companies relevant to MYTILINEOS's revenue and market cap and relatively relevant to business, covering activities such as construction, offshore energy, aluminum processing, engineering, manufacturing. The 2<sup>nd</sup> peer group is supplementary to the 1<sup>st</sup> peer group. These companies are monitored for performance benchmarking purposes by MYTILINEOS and they are more relevant to the MYTILINEOS's business, covering activities such as energy, mining and metals, aluminum production in particular.

For the definition of the remuneration of the Executive Directors of the Board, the Committee considered a combination of the following: peer group remuneration level, critical skillset required by the company for the delivery of strategy and legacy remuneration arrangements. In addition, we



also considered the typical practices that listed companies are following when setting the remuneration policy in terms of structure and link to performance.

Both peer groups were observed in terms of type of incentive instruments, applicability and type of performance criteria, performance incentive zone (threshold, target, maximum (or not capped), individual payout and in general the plan mechanics, as well as remuneration level. The benchmarking was utilized by the Committee as a reference. The decision about the remuneration policy for MYTILINEOS considered other elements as well, such as any legacy arrangements with Executives, the Company's targets, Company's current state.

**Table 1: Peer Group #1. Based on Revenue, Market Cap and Sector**

AMAG Austria Metall	Indus Holding
Boskalis	Keller Group
CFE	Kier Group
CIR S.p.A. – Compagnie Industriali Riunite	Maire Tecnimont
ERG	Morgan Sindall Group
Implenia	

**Table 2: Peer Group #2. Based on performance monitor by MYTILINEOS**

Galliford Try	Sacyr
RWE Supply& Trading GmbH	Endesa
Uniper SE	Rio Tinto
Enel Spa	Drax
Norsk Hydro	Acciona
EDP	Alcoa Corp

The two peer groups served as a reference to determine the overall competitiveness of the Company's Executive remuneration. In principle, a benchmark with a peer group is conducted at least every two years. The peer group is reviewed and updated, if necessary, simultaneously with the performance of the benchmark.

Considering the considerable growth and transformation of MYTILINEOS over the last 3 years, as well as the upcoming revision of the Remuneration Policy in 2023, MYTILINEOS will review the peer group against which it is benchmarked in order to ensure appropriate remuneration levels considering its current business size.

### **Fixed Remuneration**

Fixed Remuneration consists of Annual Base Salary and Board Fees. In terms of the Annual Base Salary, this is set on a market competitive level, taking into account the individual responsibilities, relevant experience and required competencies in line with the remuneration principles. Each year, the Board reviews fixed remuneration and decides whether circumstances justify an adjustment – particularly with regards to Annual Base Salary – within the market-competitive target range for individual members of the Board.



**Table 3: Variable Remuneration | Short-Term Incentives Plan (STIP)**

<b>Form of compensation</b>	Cash and/or 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>	Corporate, Functional, Personal <i>NB: To activate the Short-Term Incentive Program, the Company must achieve at least 85% of the EBITDA target adjusted for extraordinary events. In addition, the Short-Term Incentive Program pay-out is subject to the achievement of a predefined set of environmental, health and safety targets, as well as corporate social responsibility criteria. In case those are not met, the pay-out is decreased according to the level of achievement.</i>
<b>Scenario maximum performance</b>	Up to 200% of the on-target incentive payout

**Table 4: Variable Remuneration | Long-Term Incentives Plan (LTIP)**

<b>Form of compensation</b>	Shares or in cash equivalent. In case this is delivered in cash equivalent, the Executive Director is required to buy company shares at 30% of total value granted and 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>	a. TSR relative to FTSE/ATHEX Large Cap excluding banks and b. Absolute EPS Each criterion weighs 50%
<b>Scenario on-target performance</b>	100% of on-target incentive payout
<b>Scenario maximum performance</b>	150% of the on-target incentive payout
<b>Vesting Schedule</b>	30% on year 4, 30% on year 5, 40% on year 6

Neither the Committee, nor the Board have the discretion to provide any payout, in case targets are not met for both the Short-Term Incentive Plan and the Long-Term Incentive Plan.

### Pension Scheme

Currently, there is no pension scheme in place.

### Remuneration of the Board's 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.



There is no performance-based variable pay or pension or other benefit 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.

There are no fees payable to independent Non-Executive Directors for any reason, other than for their participation to the Board and/or its committees.

### Annual Fixed Fee Structure, as per policy

In defining the remuneration of Non-Executive Directors, four company groups were observed – i.e. a. companies of similar market cap to MYTILINEOS, excluding Financial Services, b. companies of similar revenue to MYTILINEOS, excluding Financial Services, c. “Bottom FTSE 250” group consisting of the bottom half of the FTSE 250 index which has a market cap similar to MYTILINEOS and market cap range between €775m - €1,822m and finally d. “FTSE 250” group as a whole consisting of the whole of the FTSE 250 index, which has a market cap range between €683m - €5,684m.

The table below shows the annual fixed fee structure for the Non-Executive Directors of the Board and the committees:

**Table 5: Board Fees**

Role	Annual Fee in EUR
Chairman of the Board	Does not apply
Non-Executive Vice Chairman of the Board	96,000
Lead Independent Director	56,000
Member of the Board	36,000
Committee Chair	15,000
Committee Member	10,000

For further details of the remuneration policy, see:

[https://www.mytilineos.gr/media/vcblcsju/item\\_11\\_mytilineos\\_rem\\_policy\\_2019\\_2021\\_eng\\_redline.pdf](https://www.mytilineos.gr/media/vcblcsju/item_11_mytilineos_rem_policy_2019_2021_eng_redline.pdf)



## 5. Executive Directors' Remuneration in 2021

The actual remuneration of the Executive Directors of the Board has been determined by the Board following relevant recommendation of the Committee.

**Table 6: Executive Directors of the Board Remuneration packages as of 1st January 2021**

All values are in Euros

Name	Year	Fixed Remuneration	Benefits <sup>1</sup>	Annual Variable Compensation	Long-Term Incentive <sup>2</sup>	Extraordinary Items <sup>3</sup>	Pension Expense	Total Remuneration	Fixed Remuneration	Variable Remuneration
Evangelos Mytilineos, Chairman and CEO	2021	1,500,000	110,642	3,375,000	-	n/a	n/a	4,985,642	32%	68%
	2020	1,500,000	90,172	3,375,000	-	-	-	4,965,172	32%	68%
Evangelos Chryssafis, Executive Vice-Chairman B', Executive Director for Regulatory & Corporate Strategic Issues related to Energy Sector	2021	279,235	56,213	134,033	-	496,650	n/a	966,131	35%	65%
	2020	279,235	55,664	134,033	-	-	-	468,932	71%	29%
Dimitrios Papadopoulos GM Corporate Governance & Sustainable Development	2021	187,980	8,137	97,750	-	150,500	n/a	444,367	44%	56%
	2020	187,980	8,033	90,230	-	-	-	286,243	68%	32%

### 2021 Fixed Remuneration

The Committee is still targeting at paying at least top quartile of the Executive market - i.e. the respective peer group.

For 2021, fixed remuneration remained unchanged at the levels of 2020 for all Executive Directors, as there were no indications, they required review. In any case, the focus of the Committee in 2021 was mainly on variable remuneration.

<sup>1</sup> Value of benefits includes mainly Car Allowance, Mobile Phone Allowance, Credit Cards for personal expenses and Insurance.

<sup>2</sup> Performance Share Plan was granted in 2021 and vesting will take place in 2024, 2025 and 2026. Please see the relevant section "2021 performance criteria and outcomes | Long-Term Incentives"

<sup>3</sup> Non-recurring remuneration (see "2021 One-off Share plan"). Free distribution of total of 700,000 Company shares for all three years to executive members of the board of directors of the Company (excluding the Chairman & CEO) or/and members of the executive management team who are key management personnel or/and higher officers of the Company in accordance with the 15 June 2021 AGM resolution. The figures presented in the table relate to the equivalent of shares in Euros in order to facilitate the calculation of one single figure remuneration.



## 2021 performance criteria and outcomes | Short-Term Incentives

Following relevant recommendation by the Committee, the Board determines the most relevant performance criteria for the short-term incentive plan. These criteria provide the framework for incentive schemes throughout the company. Additionally, the Board sets challenging, but realistic target levels for each of those performance criteria.

Both financial and non-financial metrics were considered in the short-term incentive plan. These were reflected both at corporate and functional level, in line with the company's strategy following the merger. These performance criteria are important measures of the success of the execution of the company's strategy and, as such, the remuneration is directly linked to long-term value creation.

The target levels are set at the beginning of the year. The final assessment is determined at the end of the fiscal year, based on the audited financial results. Any potential payout under the short-term incentive plan occurs annually during the first semester of the next financial year. A minimum level of performance must be achieved before any payment under the plan will be made. Payout is capped for stretch performance.

The final assessment of performance under the short-term incentive plan is done by the Committee.

**Table 7: Key Performance Indicators**

Remuneration Key Performance Indicator	2021 Actual	2021 Target	2020 Actual
Group EBITDA (€m)	359	355	315
EBITDA Margin (%)	13.50%	15.00%	16.60%
EPS Yield (%)	8.30%	9.00%	8.00%
EPS (€)	1.193	0.90	0.91
Leverage Ratio	2.24	2.50	1.71

Group EBITDA grew by 14% since 2020, while exceeded the target that had been set for 2021. Even though EBITDA Margin declined by 3 percentage points, EPS and Leverage Ratio were overachieved. Besides, 2021 EPS yield -calculated as 2021 EPS of €1.193 over 2021 volume-weighted average share price of €14.45- while lower than the targeted performance in 2021, is higher than the actual 2020 EPS. This is due to the remarkable price increase of 27.22% of MYTILINEOS share price between 31.12.2020 and 31.12.2021 vs the 10.43% increase of the ATHEX Composite Share Price Index over the same period.

The outcomes of these criteria, in combination with the function-specific criteria for the Executive Directors to whom they relate<sup>4</sup>, resulted to a payout between target and maximum variable pay, varying by Executive Director in terms of exhibited performance. Finally, there was no discount on the short-term incentive payout based on ESG KPI achievement derived from the increased energy

<sup>4</sup> These are presented in Table 8



production from renewables vs 2020, lost time injury rate<sup>5</sup> close to industry norm and no fines and non-monetary sanctions<sup>6</sup>

## **2021 Chairman and CEO Evaluation**

A separate initiative which was launched for the first time last year was the 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.

In this context, critical areas were addressed that provide a very strong foundation for sustainable and profitable growth going forward. Key highlights are:

### **Strategy**

Strategic objectives were developed with the aim of achieving sustainable and profitable growth, ensuring a smooth transition to clean energy and becoming a leading industrial player in a changing industrial world. More than five infrastructure projects across business units completed that will ensure the company's transition to clean energy and cost efficiency.

### **Organization**

A first ever succession planning exercise was rolled out to map the individual and collective skillset of the executive team and developed initiatives to strengthen management capabilities.

At the same time during 2021 the company effectively managed the impact of the pandemic, prioritizing the safety and security of its employees and ensuring the uninterrupted continuation of operations in all business units and minimizing the economic impact of the pandemic

### **ESG**

An integrated Sustainable Development Strategy was developed which was externally communicated, rolling out plans and KPIs to reach our climate targets

A substantial improvement in total Group ESG performance was achieved putting the Group amongst the best performing companies internationally. A formal Sustainability Committee was set up to supervise progress

### **Board effectiveness**

A follow-up exercise, externally facilitated, was completed to address opportunities to improve Board effectiveness. In addition, compliance with the UK Governance code improved considerably since 2019, standing at 75% as per third party assessment.

### **Share performance**

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<sup>5</sup> Lost time per 200.000 working hours due to injury - direct employees.

<sup>6</sup> Significant fines and non-monetary sanctions for not complying with laws and/or regulations in the social, labour, environmental and economic area/year.



Total shareholder return for 2021 was 30%, driven by a 27% share price increase and a 3% dividend yield. For reference, the ATHEX Composite Share Price Index was up by 10% during the same period.

Overall, an outstanding year under the leadership of Mr. Mytilineos - despite significant macroeconomic headwinds - with record levels of Revenues, Profitability and share price performance.

Table 8 presents the 2021 variable remuneration outcomes, as per the short-term incentive plan arrangements described in the Board Remuneration policy:

**Table 8: Short-Term Incentive Plan outcomes**

Name	Criteria related to the remuneration component	Relative Weighting	Threshold		Maximum		Actual	
			Performance	Payout	Performance	Payout	Performance	Payout
Evangelos Mytilineos, Chairman and CEO	<b>Corporate targets</b> <ul style="list-style-type: none"> <li>• Group EBITDA</li> <li>• EBITDA Margin</li> <li>• EPS Yield</li> <li>• EPS</li> <li>• Leverage ratio</li> </ul>	80%	80%	63% of Fixed Remuneration	120%	250% of Fixed Remuneration	107%	225% of Fixed Remuneration
	<b>Personal targets</b>	20%	No threshold		No maximum		100%	
Evangelos Chryssafis, Executive Vice-Chairman B' - Executive Director for Regulatory & Corporate Strategic Issues related to Energy Sector	<b>Corporate</b> <ul style="list-style-type: none"> <li>• Group EBITDA</li> <li>• EBITDA Margin</li> </ul>	40%	80%		120%		96%	48% of Fixed Remuneration
	<b>Functional</b> <ul style="list-style-type: none"> <li>• Strengthen relationships with key players in the energy market while further exploring new prospects and projects</li> <li>• Introduction of new forms of energy business (e.g. EGN, PPAs, green energy, aggregation, repowering)</li> <li>• Effective coordination and contribution into government and European affairs on energy, industry, and environment</li> <li>• Implementation of special projects and mandates emerging from business development imperatives</li> </ul>	40%	80%	25% of Fixed Remuneration	120%	100% of Fixed Remuneration	89%	
	<b>Personal targets</b>	20%	No threshold		No maximum		100%	



Name	Criteria related to the remuneration component	Relative Weighting	Threshold		Maximum		Actual	
			Performance	Payout	Performance	Payout	Performance	Payout
Dimitrios Papadopoulos GM Corporate Governance & Sustainable Development	<b>Corporate</b> <ul style="list-style-type: none"> <li>Group EBITDA</li> <li>EBITDA Margin</li> </ul>	40%	80%		120%		96%	
	<b>Functional</b> <ul style="list-style-type: none"> <li>Improvement of Company's ESG Performance (based on key ESG Raters assessments)</li> <li>Third consecutive year of compliance with UK CG Code &gt;70% (vs 60% in 2019)</li> <li>Compliance with new national CG law</li> <li>Development of a system for identifying material categories in order to measure Scope 3 CO2 emissions.</li> <li>First-time participation in the CDP Climate Change initiative.</li> </ul>	40%	80%	25% of Fixed Remuneration	120%	100% of Fixed Remuneration	104%	52% of Fixed Remuneration
	<b>Personal targets</b>	20%	No threshold		No maximum		100%	

### 2021 performance criteria and outcomes | Long-Term Incentives

Pursuant to the resolution of the Annual General Meeting of June 15, 2021, the Company launched a long-term program for free distribution of Company's shares on a rolling basis comprising of five (5) individual phases, each lasting six (6) years.

An annual conditional award of shares is made to each Executive Director under the Performance Share Plan. Prior to award, the Committee reviews the performance targets for each measure to ensure they remain sufficiently stretching.

Circumstances that may result in a clawback or malus adjustment include financial misstatement, erroneous calculations determining bonus payments, gross misconduct, corporate failure or reputational damage.

Vesting is based on two performance conditions measured over a three-year period, which have been chosen as they are aligned with our strategy:

**Table 9: Long-Term Incentive Plan Performance Measures**



Performance Measure	Target	Weight
Relative TSR to FTSE/ATHEX Large Cap excluding banks	Higher than the Index	50%
Absolute EPS	1.28	50%

Whilst the performance measures and the specific targets were set at beginning of 2021, the detailed terms of the plan and the beneficiaries had not been specified as of 31/12/2021. Therefore, it was not activated within 2021. Still, the performance period remains as provided by the June 15, 2021, AGM resolution— i.e. 2021-2023. The plan will be activated by June 2022 making the necessary reserve for this first program along with the reserve for the second program with performance period 2022-2024.

### 2021 Extraordinary Remuneration I One-Off share plan

Pursuant to the approval of the Annual General Meeting of June 15, 2021, the Company, in addition to the Long-Term Incentive Plan, introduced an additional 3-year one-off plan, which provides for the distribution of up to seven hundred thousand (700,000) regular registered shares with voting rights to Executive Directors of the Board (excluding the Chairman & CEO) or/and members of the Executive Management team or/and higher Officers of the Company.

This plan is targeting on one hand to reward the executives for their efforts and contribution to the remarkable performance of the Company over the last financial years, especially since the completion of the corporate transformation in 2017 onwards, for the Company managed to achieve, among others, significant increase of earnings per share, standard distribution of high dividends, significant improvement of return on invested capital, maintaining at the same time low level of lending, while in particular in 2020 despite the pandemic impact, we recorded high historically EBITDA; on the other hand it is targeting at retaining these Executives always on the basis of achieving specific company and personal goals, thus linking remuneration to the performance of the Company.

The plan provides for a fixed number of shares for each eligible Executive for the whole period. The award vests gradually, upon achieving specific performance goals each year.

The shares are distributed to the beneficiaries gradually in years 2021, 2022 and 2023. While for the first year 2021 the distribution related to the general performance of the Company over the last financial years, for years 2022 and 2023 it will depend on the achievement of company and personal goals.

### Other benefits

Executive Board members receive remuneration for items such as medical insurance, death and disability insurance, credit card for personal expenses and car allowance. These benefits are in line with market practice. The company did not provide any loans, or any retirement benefits.



## 6. Non-Executive Directors' Remuneration in 2021

The table below shows the fees earned in 2021 by each Non-Executive Director.

**Table 10: Board Fees earned in 2021**

Name	Role	Annual Fee in EUR
Spyridon Kasdas	Non-Executive Director, Vice Chairman A	96,000
Ioannis Petrides	Independent Non-Executive Director, Lead Independent Director, Chair of Remuneration and Nomination Committee	71,000
Alexios Pilavios	Independent Non-Executive Director, Audit Committee Chair	51,000
Panagiota Antonakou	Independent Non-Executive Director, Sustainability Committee Member	46,000
Konstantina Mavraki	Independent Non-Executive Director, Remuneration and Nomination Committee Member, Audit Committee Member	56,000
Emmanouil Kakaras	Independent Non-Executive Director, Remuneration and Nomination Committee Member, Sustainability Committee Member	56,000
Natalia Nikolaidis	Independent Non-Executive Director, Sustainability Committee Member. Appointed February 2, 2021	42,000
Anthony Bartzokas	Independent Non-Executive Director, Audit Committee Member. Appointed June 15, 2021	27,000
Christos Zerefos	Non-Executive Director. Retired June 14, 2021	15,000

## 7. How remuneration and performance have evolved since 2019

The following table presents information on the change observed in Directors' remuneration, the key performance metrics and the average remuneration on a full-time equivalent basis of employees of the Company other than directors, over the last three financial years, including the reported year. This will gradually build up into a five-year period. Presenting such information over a five-year period at this point would not be appropriate for comparative analysis and assessment, given that:

- (a) the current Board of Directors was appointed on June 7th, 2018;
- (b) the Company has significantly transformed from being a holding company up until July 6th, 2017; and
- (c) remuneration policy for the members of the Board of Directors was introduced by the Company at first on June 24th, 2019.

**Table 11: Comparative table over the Remuneration and Company performance over the last three reported financial years**

Annual Change	2021 vs 2020	2020 vs 2019
<b>Executive Director's Remuneration</b>		
Evangelos Mytilineos, Chairman and CEO	+20,470 EUR	-304,954 EUR
Evangelos Chrysafis, Executive Vice-Chairman B' - Executive Director for Regulatory & Corporate Strategic Issues related to Energy Sector	+ 497,199 EUR <sup>7</sup>	-17,269 EUR
Dimitrios Papadopoulos GM Corporate Governance & Sustainable Development	+ 158,124 EUR <sup>8</sup>	-17,479 EUR

<sup>7</sup> This change is due to the extraordinary remuneration that was paid in 2021 to BoD EXECUTIVE members (except the Chairman and CEO) along with members of the Executive Management team or/and higher Officers of the Company - Please see footnote 3

<sup>8</sup> This change is due to the extraordinary remuneration that was paid in 2021 to BoD EXECUTIVE members (except the Chairman and CEO) along with members of the Executive Management team or/and higher Officers of the Company - Please see footnote 3



Annual Change	2021 vs 2020	2020 vs 2019
<b>Non - Executive Director's Remuneration</b>		
Spyridon Kasdas, Vice Chairman A	No change <sup>9</sup>	No change
Ioannis Petrides, Lead Independent Director, Chair of Remuneration and Nomination Committee	+ 15,000 EUR	+ 15,000 EUR
Alexios Pilavios, Audit Committee Chair	+5,000 EUR	No change
Panagiota Antonakou, Sustainability Committee Member	+5,000 EUR	No change
Konstantina Mavraki, Remuneration and Nomination Committee Member, Audit Committee Member	+10,000 EUR	No change
Emmanouil Kakaras, Remuneration and Nomination Committee Member, Sustainability Committee Member	+ 15,000 EUR	No change
Natalia Nikolaidis, Sustainability Committee Member (Joined 02 2021)	+ 42,000 EUR	n/a
Anthony Bartzokas, Audit Committee Member (Joined 06 2021)	+ 27,000 EUR	n/a
Christos Zerefos (Retired 06 2021)	No change	- 5,000 EUR
<b>Company Performance</b>		
Group EBITDA (€m)	+44	+2
EBITDA Margin (pp)	-3.1	+2.7
EPS Yield (pp)	+0.3	-2.4
EPS (€)	+0.28	-0.10
Leverage Ratio	+0.53	+0.37
<b>Change in average employee remuneration</b>		
Change in average employee remuneration (€)	-4%	+7%

The change in average employee remuneration reflects the percentage change in average annual base salary, overtime, annual performance bonuses and any ad-hoc bonuses for employees of MYTILINEOS SA., excluding the Board of Directors.

For 2021, the average employee remuneration stands at € 31,127 on average per employee vs € 32,264 that was observed in 2020. This difference derives from the fact that in 2020 an ad-hoc COVID-19 bonus allowance was paid to employees working in the company's plants. Compared to year 2019 the 2021 average salary per employee has in fact increased by 3%.

## 8. Looking forward

Year 2021, although challenging, has been very successful. The Executive Directors, the Executive Committee, along with all of our colleagues have worked tirelessly to ensure that the business remains strong and that we and our customers have been able to stay safe throughout. The Committee is committed to ensuring the remuneration arrangements continue to support the efforts of the workforce and the objectives of the strategy, whilst aligning pay with strong performance.

In 2022 the Committee will prepare for the revision of the 2019 Remuneration Policy which will take place within 2023. In this context, we will review the peer group against which MYTILINEOS is

<sup>9</sup> As per policy and based on his membership in the Sustainability Committee, Mr Kasdas is eligible to € 10,000. This fee will be paid within FY 2022.



benchmarked in order to ensure appropriate remuneration levels considering its current business size.

Given the continued operational focus on growing the business and optimizing profitability, the Committee believes that the current financial KPIs – i.e. EBITDA, EBITDA Margin, EPS Yield, EPS and Leverage Ratio and ESG metrics for the Short-Term Incentive Plan were sufficient to date. The Committee will review these metrics for 2022 in order to check if they are fit for purpose as the company grows.

The introduction of TSR and EPS metrics for the rolling Performance Share Plan and the duration and vesting schedule are appropriate. The exact performance mechanism will be defined within 2022.

Finally, MYTILINEOS is also exploring the introduction of a pension scheme.

Apart from the aforementioned elements, no further adjustments to the current remuneration policy for the Executive Directors of the Board are anticipated.