



MYTILINEOS

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BYLAWS

(Internal Regulations)



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INTRODUCTION

Foreword

The present Bylaws (hereinafter referred to as the "**Bylaws**") of the company under the name "**MYTILINEOS HOLDINGS S.A.**" (hereinafter referred to as the "**Company**") were prepared in conformance with the provisions of article 6 of Law 3016/2002 on corporate governance, as applicable, the provisions of the Articles of Association of the Company (hereinafter referred to as the "**Articles**"), as applicable, as well as in conformance with the general legal framework applicable to the Company.

The Bylaws were approved and entered into effect by virtue of the resolution passed by the Board of Directors of the Company on 20.7.2007, and were subsequently amended by virtue of the resolutions adopted on 7.11.2007, 28.03.2008, 26.03.2009, 2.11.2009, 17.11.2010, 27.03.2012, 13.06.2017 and 06.10.2017 by the Board of Directors of the Company.

The Bylaws are based on the current organizational chart of the Company, being consistent with its size and object and with modern organization principles. The Bylaws do not take precedence over the Articles of Association, they are effective in parallel with the latter, and any reference to the provisions of the Articles of Association and the content thereof in the present Bylaws is made solely for the purpose of supplementing the content of the latter.

Article 1: Object of the Bylaws

1.1. The present Bylaws set out, among others:

- The organizational structure of the Company;
- The structure of the Company departments, and the relation among the various departments and the relation thereof to Management;
- The authorities of executive and non executive members of the Board of Directors of the Company;



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- The procedures for the recruitment of senior executives of the Company and for the evaluation of their performance;
- The procedures for monitoring the transactions effected by persons engaged by the Company under an employment contract or otherwise having access to inside information, as well as persons discharging managerial responsibilities and those being closely related to such persons, in transferable securities in the Company or affiliated undertakings, when such transferable securities are traded in a regulated market;
- The procedures for monitoring other financial activities of persons discharging managerial responsibilities, which (activities) are related to the Company and its main customers or suppliers;
- The procedures for the public disclosure of transactions of persons discharging managerial responsibilities and persons closely related with such persons, as well as other persons for which the Company is under a disclosure obligation under the applicable legislation;
- The rules governing the transactions between affiliated undertakings, as defined in the applicable legislation, the monitoring of the said transactions and appropriate disclosure thereof to the corporate bodies and shareholders of the Company.
- The main principles governing the organization, operation and management of the Company.

1.2. The purpose of the Bylaws is to define the framework for the organization and operation of the Company with a view to ensuring:

- The continuing compliance of the Company with the legislative and regulatory provisions regulating its organization and operation as well as its activities, and
- Control of the manner in which decisions are made by management.

Article 2: Persons bound to adherence to the Bylaws



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2.1. The Bylaws are applicable to the following persons (hereinafter referred to as the **"Liable Persons"**):

- the members of the Board of Directors;
- the Chief Executive Officer, the General Managers and the Directors (hereinafter referred to as the **"Senior Executives"**);
- the employees of the Company working under an employment contract;
- the associates of the Company providing their services under an independent services or work contract, in the case of a cooperation which is based on a particular relationship of trust or when the contract which is in place between such associates and the Company specifically makes them subject to the present Bylaws.

2.2 The Liable Persons are duty bound to comply with the provisions of the Bylaws. They are required to discharge their duties with diligence in conformance with their terms of reference (or the terms of their cooperation with the Company, in the case of external associates), as laid down in their contract with the Company (employment contract or independent services contract), in the Articles, the decisions of corporate bodies, as well as as specified by their superior in the chain of command, the Board of Directors or the Chief Executive Officer, on the basis of the operational requirements of the Company.

Article 3: Bylaws effect and amendment

3.1. The present Bylaws, as well as any amendments hereto, shall enter into effect as soon as they are approved by the Board of Directors and are binding on all Liable Persons. The Bylaws and amendments thereto are posted on the Company website, and such posting serves as notification thereof to the Liable Persons.

3.2. The members of the Board of Directors, the Internal Audit Department, as well as the General Managers, separately or collectively, shall regularly review the Bylaws for suitability and effectiveness. Upon a recommendation in writing by a member of



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the Board of Directors or the Internal Audit Department or a General Manager, the Board of Directors shall decide on any required amendments to the Bylaws.

- 3.3.** In case of change to the legislative framework or to the organizational structure of the Company, the Board of Directors of the Company proceeds with the restatement and amendment of the Bylaws.

A. Organizational Structure of the Company

Article 4: Organizational Structure of the Company

4.1. The organizational structure of the Company operates in the context of principles and practices that safeguard and secure the legitimate interests of all parties related to the Company. The organization of the Company comprises its organizational structure, the structure of executive governance, the organizational chart, the internal procedures and the internal communication system.

4.2. The organizational structure, i.e. the allocation of the value-added business activities of the Company to specific sectors and the definition of central support functions and central functions ensuring support, synergies, compliance with the applicable legislation and regulations and creating value, operates under the responsibility of the Chief Executive Officer, who is supported by the CEO Office entrusted with the coordination and settlement of matters for which intervention by the Chief Executive Officer is not necessary, and comprises:

- Four (4) Business Units (BUs), three of which involve industrial activities and the fourth involving a trading activity:
 - (i) BU for Engineering-Procurement-Construction (EPC) Projects (EPC BU)
 - (ii) Electric Power BU
 - (iii) Metallurgy BU
 - (iv) Gas Trading BU
- Five (5) Central Units/Support Functions, as follows:



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(i) Three (3) Central Support Functions (CSFs) which, in addition to meeting corporate operations and needs, they provide dedicated resources and services to the BUs: (a) Legal & Regulatory Affairs, (b) Human Resources, and (c) Finance (inclusive of IT and Purchasing);

(ii) Two (2) Central Units: (a) Treasury, and (b) Strategy and Mergers & Acquisitions;

(iii) Two (2) Central Functions (CFs): (a) Investor Relations and Corporate Governance, and (b) Communications and Marketing Strategy

- Specialist advisors to Management.

4.3. The structure of executive governance ensures expedient and good decision-making, fully informed, with optimal utilization of top management time. It comprises decision preparation, decision making and coordination committees as follows:

- Monthly Executive Committee, that defines the strategy and direction of the Company, makes strategic decisions, monitors performance, etc.

- Three (3) subcommittees, preparing the material necessary to support the decision-making role of the Executive Committee:

(i) Monthly sub-committee for treasury affairs, charged with matters relevant to financial performances, risks, international markets and capital markets;

(ii) Subcommittee for capital investment, which meets whenever it is necessary to consider matters relevant to capital investments;

(iii) Monthly sub-committee for energy and regulatory matters of strategic importance.

- Monthly committees of the Metallurgy BU, the Electric Power BU and the EPC BU, charged with the task of directing the operation and monitoring performance in the respective BU, coordinating the projects specified in the strategic plan and making business decisions to the extent not falling within the authority of the Executive Committee.



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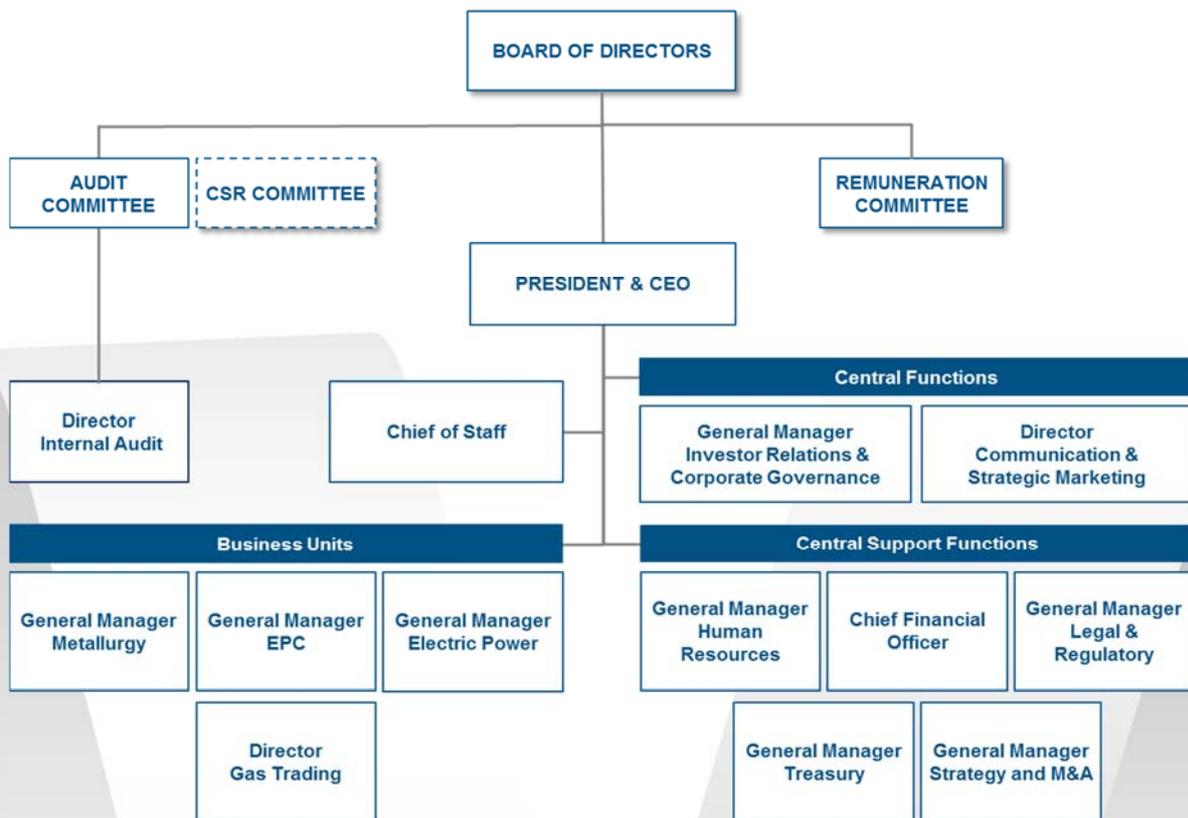
- Support Functions Committee, which meets whenever it is necessary to consider matters relevant to the provision of support services to the individual BUs.

4.4. The organizational chart depicts the organizations's posts, the hierarchical relation between them (continuous lines) and the operational relations, if any, between the different posts (dotted lines). The hierarchical relation for each post reflects the respective direct report which is responsible for its development, mobilization and evaluation:



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4.5. Internal procedures comprise the corporate policies and:

- Provide information on the organization of the Company with a view to developing a common understanding among employees;
- Elucidate roles and responsibilities in matters where competent persons from different BUs and CSFs are involved;
- Define how support by CSFs to BUs is to be implemented, as well as how issues arising on an interface level are to be resolved;
- Define corporate practices in matters relevant to human resources management;
- Reflect the policies adopted by the Company.



- 4.6.** The internal communication system comprises hierarchical communication for the coordination of tasks, as well as updating, deployment and the resolution of issues relevant to projects, premises, employees or employee groups. It is of an informative nature and supplements the hierarchical communication in order for employees to have a complete picture of the matters relevant to the Company; finally, it comprises informal communication between the members of the organization, which supplements the hierarchical and formal internal communication by bridging gaps that could cause organizational dysfunctions.

B. Company Management

Article 5: General Meeting of the Company

The General Meeting of shareholders of the Company is the supreme corporate body, having authority to decide on any matter relevant to the Company. Its resolutions, adopted as prescribed by law, are also binding on absent or dissenting shareholders.

Article 6: Board of Directors

6.1. Authorities of the Board of Directors

The Board of Directors, in collective action, runs the Company and controls all Company activities; the Board is entrusted with the management of the corporate property, represents the Company and adopts resolutions on all matters relevant to the Company with a mind to furthering the corporate objects, except for matters which under the Law or under the Articles of Association fall under the exclusive authority of the General Meeting of shareholders. 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.

The main authorities and tasks entrusted to the Board of Directors include:



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- Mapping out strategic directions, including the sale or other disposal of shares in the Company, the acquisition of any undertaking or the proposal of merger of the Company with another undertaking, all subject to the final approval of the General Meeting of shareholders of the Company;
- Adoption and implementation of the general corporate policy on the basis of the recommendations and proposals of the General Managers of the BUs and the CUs of the Company;
- Management and disposition of the corporate property and the representation of the Company in- and out-of court;
- Preparation of the annual budget and the business plan of the Company, setting of and achievement of performance goals, monitoring of the Company course and control of major capital expenses;
- Responsibility for a thorough and effective internal control across all Company activities;
- Monitoring the effectiveness of corporate governance principles underpinning the operation of the Company, and bringing about any necessary changes thereto;
- Formulation of the corporate business risks strategy and management;
- Selection, optimal utilization and development of senior management and determination of the policy for their remuneration;
- Appointment of the internal controller (auditor) and specification of his/her fee;
- Determination of the accounting principles implemented by the Company;
- Reporting on activities to the General Meeting of shareholders of the Company;
- Drafting of annual reports detailing the transactions of the Company with its affiliated companies in conformance with the applicable legislation;



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- Formulation, dissemination and implementation of the main values and principles of the Company governing its relations with all parties whose interests are related with those of the Company.

6.2. Members of the Board of Directors

6.2.1. The members of the Board of Directors are elected by the General Meeting, other than in the case of election of a BoD member in substitution of a member who resigned, died or forfeited office in any other way, by the remaining members of the Board of Directors, pursuant to art. 22 para. 1 of the Articles. The term of office of BoD members is four years, automatically extended until the first ordinary General Meeting session to be held after the expiration of their term which, however, may not exceed five (5) years. The members of the Board of Directors may be freely reelected.

6.2.2. The Board of Directors is composed of seven (7) to fifteen (15) members, distinguished into executive and non-executive members. Executive members are those members entrusted with the day-to-day management of the Company, whereas non-executive members are those entrusted with the furtherance of all corporate affairs, oversight of the implementation of BoD resolutions and oversight with respect to matters and areas specifically entrusted to them under a BoD resolution. Non-executive members hold regular sessions, not attended by the executive members, for the purpose of evaluating the performance and specifying the remuneration of the executive members.

6.2.3. The number of non-executive members may not be less than 1/3 of the total number of BoD members and, in case of a resulting fraction, the number is rounded up to the next whole number. Among the non executive members, there should be at least two independent members within the meaning of art. 4 of Law 3016/2002. The designation of the status of a BoD member, as executive or non executive member, is defined by the Board of Directors. Independent members are appointed by the General Meeting of shareholders.



6.2.4 Within twenty days as of the time the Board of Directors is formed, the Company submits to the Hellenic Capital Market Commission the General Meeting minutes evidencing the election of the independent members of the Board of Directors. Accordingly, within the same time period, the minutes of the Board of Directors designating each BoD member as executive, non executive or electing a provisional independent member in substitution of another who resigned, died or forfeited office for any reason, shall also be submitted. If a provisional member is elected by the Board of Directors until the next General Meeting session, in the place of another independent member who resigned, died or for any reason forfeited office, the member being elected must also be an independent member. The independent members of the Board of Directors may submit reports, separately or jointly, as well as reports separate from the BoD reports to the ordinary or extraordinary General Meeting of shareholders, if they so deem necessary.

6.2.5 The independent non-executive members of the Board of Directors are required, during the term of their office, to not possess shares representing more than 0.5% of the share capital of the Company and to not be in a relation of dependence with the Company or its associated persons. A relation of dependence is understood as existing when a member of the Board of Directors:

- has a business or other professional relationship with the Company or an affiliated undertaking of the Company, as defined in the applicable legislation, which by its nature affects the business of the Company, when in particular such member is an important (major) supplier or customer of the Company;
- is the chairman of the Board of Directors or a senior executive of the Company, or when holding the said roles or is an executive member of the Board of Directors in an affiliated undertaking, as defined in the applicable legislation, or has an employment or salaried mandate relationship with the Company or its affiliated undertakings;
- is a relative (up to second degree relative) or spouse of an executive member of the Board of Directors or a senior executive or shareholder holding the

majority of the share capital of the Company or of an affiliated undertaking as the latter is defined under the applicable legislation;

- was appointed pursuant to art. 18 para. 3 of Codified Law 2190/1920.

6.2.6 Under article 27 of the Articles, the members of the Board of Directors, the Chief Executive Officers of the Company as well as the managers of the Company may not engage professionally, without the sanction of the General Meeting, for their own account or for the account of third parties, in activities falling under any of the objects pursued by the Company or participate as general partners in companies pursuing such objects. Furthermore, the BoD members may not participate in the board of directors of more than five (5) companies the shares of which are traded in regulated markets.

6.2.7 The appointment of an executive member to the Board of Directors of the Company as a non-executive member in a company that is not a subsidiary or affiliate of the Company must be approved by the Board of Directors. Furthermore the members of the Board of Directors, at least five business days prior to their election by the General Meeting, are required to disclose in writing to the Chairman of the Board of Directors any professional commitments (including important non executive commitments to companies and non-profit institutions) and then update on an annual basis such information ten business days prior to the preparation of the Corporate Governance Statement by the Company, in a letter addressed to the Chairman of the Board of Directors. Changes to the above information must be reported to the Board of Directors.

6.3 Remuneration to non executive members of the Board of Directors

Remunerations and any other compensation to the non-executive members of the Board of Directors are specified in accordance with Law 2190/1920 and are commensurate with the time such members devote to BoD meetings and the discharge of the duties entrusted to them pursuant to Law 3016/2002, as applicable from time to time. The total of remunerations and compensation to non-executive members of the Board of Directors are given in a separate category in the Notes to

the Financial Statements and are approved by the Annual Ordinary General Meeting of shareholders.

6.4 Remuneration to executive members of the Board of Directors

All remunerations paid to the members of the Board of Directors are to be borne by the Company if approved under a special resolution of the General Meeting of Shareholders. Compensation may be paid, in the amount specified under a special resolution of the Ordinary General Meeting of Shareholders.

6.5 Powers of the Chairman of the Board of Directors

6.5.1 The Board of Directors may elect a Chairman and/or one or two Vice-Chairmen and/or Managing Directors and/or Executive Directors solely from among its members, specifying at the same time their authorities.

6.5.2 The Chairman of the Board of Directors coordinates and directs the Board of Directors' meetings and operation in general, is vested with authority to call meetings of the Board of Directors, define the agenda thereof, ensure proper organization of BoD proceedings and effective conduct of BoD meetings. The Chairman is also responsible for ensuring timely and accurate advice to members of the Board of Directors, as well as the effective communication with all shareholders, with a view to securing a fair and equal treatment of the interests of all shareholders. When the Chairman is absent or prevented from acting he is deputized over the full spectrum of his authorities by the Vice-Chairman; when the Vice-Chairman is prevented from acting he is deputized, upon a BoD resolution, by the Executive Director; if the latter is also prevented from acting or if the above roles have been entrusted to one and the same person, he is deputized by the most senior member of the Board of Directors.

6.6 Authorities of the (independent non-executive) Vice-Chairman of the Board of Directors



6.6.1 The (independent non-executive) Vice-Chairman of the Board of Directors is charged, in addition to the authorities conferred to him under the law, with the coordination and effective communication of executive and non-executive members of the Board of Directors. In this context, he may call a meeting of the executive and non-executive members on a quarterly basis for the provision of information with respect to the business of the Company and its current affairs. Furthermore the (independent non-executive) Vice-Chairman presides over the Chairman's evaluation process undertaken by the members of the Board of Directors, as well as over the meetings of the non-executive members of the Board of Directors. Finally, the (independent non-executive) Vice-Chairman is required to be available for and attend the sessions of the General Meeting of Shareholders of the Company for the purpose of deliberation on corporate governance issues if and when such issues arise.

6.6.2 The independent non-executive Vice-Chairman has the right to request that specific items be included for deliberation in the notice to a meeting of the Board of Directors called by the Chairman, and accordingly the Chairman is required to so include them in the notice. The said request does not frustrate the right afforded under the law to the members of the Board of Directors to request the convocation of the Board of Directors or call a meeting themselves should the Chairman or his deputy fail to comply to their request.

6.7 Authorities of the Chief Executive Officer

6.7.1 The Chief Executive Officer monitors and controls the implementation of the strategic goals of the Company and the day-to-day management of the Company and provides guiding direction to the Business Units and the Central-Support Functions of the Company. He oversees and ensures the smooth and effective operation of the Company, in line with the strategic goals, business plans and the action plan, as defined under resolutions adopted by the Board of Directors and the General Meeting.



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6.7.2 The Chief Executive Officer participates in and reports to the Board of Directors of the Company and implements the strategic choices and important resolutions of the Company.

6.7.3 The Board of Directors of the Company may elect one from among its members as Deputy Chief Executive Officer. The Deputy CEO's authorities may involve authorities and powers of the CEO such as strategic decision-making and setting of goals in this respect as well as the coordination and oversight of the individual departments of the Company. Furthermore, the Deputy CEO deputizes the CEO when the CEO is absent or prevented from acting.

6.8. Company Secretary

The Board of Directors appoints a Company Secretary. The Company Secretary is charged with keeping the minutes of the meetings of the Board of Directors and the Committees thereof. The Company Secretary ensures good information flow between the BoD and its Committees, as well as between top management and the Board of Directors. The Company Secretary prepares the plan for the introductory briefing of the BoD members upon the start of their term of office and well as their continuing information and training in matters relevant to the Company. Finally, the Company Secretary ensures the effective organization of shareholder meetings and the good communication of shareholders with the Board of Directors, with a view to ensuring the BoD compliance with legal and statutory requirements.

6.9. Audit Committee

The operation and authorities of the Audit Committee are detailed in Section G hereof.

6.10. Remunerations Committee

6.10.1. The Remunerations Committee is appointed by the Board of Directors of the Company; it is comprised solely by non-executive and independent, for the most part, members of the Board of Directors and is chaired by an



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independent non-executive BoD members. The Remunerations Committee is charged with the following tasks:

- Making recommendations to the Board of Directors with respect to the remuneration of each BoD executive member, including the bonus and incentive pay related to shares allocation;
- Review and submission of proposals to the Board of Directors in connection with the total figure of the annual variable (i.e. other than the salary) remunerations in the Company;
- Review and submission of proposals to the Board of Directors and, via the BoD, to the General Meeting of Shareholders, when so required, in connection with share option schemes and share allocation plans;
- Submission of proposed performance goals in connection with the variable remuneration to BoD members, or goals associated with share option schemes or share allocation plans;
- Regular review of the salary of executive BoD members and other terms of their contracts with the Company, including compensation upon leaving as well as retirement arrangements;
- Submission of proposals to the Board of Directors on any business policy concerned with remunerations;
- Review of the annual remunerations report.

6.10.2. The Remunerations Committee meets on a regular basis in order to be able to efficiently discharge its functions. The Remunerations Committee prepares its terms of reference (regulations), posted on the Company website, detailing its role and authorities.

6.10.3. The Remunerations Committee may engage the services of an external consultant and it is thus provided with sufficient funds in this respect.

Article 7: CEO Office



The organizational structure of the Company operates under the responsibility of the Board of Directors and the Chief Executive Officer, the latter being supported by the CEO Office. The CEO Office coordinates the organization and arrangement of matters falling within the scope of authority of the Chief Executive Officer.

C. Business Units

Article 8: Business Units – Structure

Under the organizational structure of the Company, its Business Units (BUs) are distinguished mainly on the basis of the type of business conducted. Each Business Unit is headed by a General Manager or Director entrusted with extended powers and authority. The selection of BU Heads by Management is based, among others, on their long professional experience in the relevant field.

Article 9: BU Heads – Authorities

- 9.1.** The persons heading the independent Business Units are Company executives charged with managerial and operational responsibility relevant to the day-to-day activities of the respective BU. They report, through the Chief Executive Officer, to the Board of Directors.
- 9.2.** The main responsibilities and authorities of the BU Head are as follows:
- Development of the strategy and strategic goals of the respective BU, with due regard to the vision and the strategy of the Company;
 - Guidance to the BU management team for achieving the said goals;
 - Preparation of the necessary directions and support to the BU management team in day-to-day operations. Addressing problems and difficulties, as and when necessary.



- Ensuring that the current action business plan is being successfully implemented and, moreover, identification and examination of business growth opportunities;
- Ensuring that budget goals are reached;
- Ensuring that key performance indicators (KPIs) are consistent with the strategic goal of the Company;
- Facilitation of synergies on a Company level with the cooperation of other Business Units and/or Central-Support Functions.

D. Central Support Functions / Central Functions

Article 10: Central Support Functions (CSFs)

- 10.1.** Central Support Functions, in addition to meeting corporate needs and tasks, through dedicated resources they provide support to the BUs being operationally connected to them. They report to the Board of Directors, through the CEO Office that coordinates the application of their general operating principles.
- 10.2.** The CSF appoints, for each BU, a Business Partner whose role is to ensure that the BU is provided with the required support by the CSF personnel. Each Business Partner is engaged exclusively for the respective BU, and also the CSF management team as applicable, in order to enable the BU to exercise its business in a more efficient and smooth manner.

Article 11: CSF Structure and Authorities

11.1. Legal & Regulatory CSF

The Legal & Regulatory CSF is charged with the monitoring and follow-up on matters relevant to the regulatory framework and the European environment, legal support and representation of the Company in relevant matters, institution of appeals,



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exercise of legal remedies and defenses against decisions made by domestic and foreign authorities and the legal representation of the Company before competent courts of any type, the handling of regulatory matters from a legal viewpoint and the legal analysis and support in regulatory matters. Furthermore, its mission is to provide legal support and backing to the Company, to undertake the overall management of all Company affairs of a legal nature for the purpose of safeguarding and promoting its interests in its relations with institutional bodies, its shareholders, customers, competitors and partners and, in general, the achievement of its objects both in Greece and abroad.

11.2. Human Resources CSF

The Human Resources CSF is charged with the development, management and handling of matters relevant to human resources regulations and systems, the implementation of human resources selection procedures and the handling of matters relevant to industrial relations, labor law, personnel regulations, disciplinary matters and personnel claims in litigation, as well as matters relevant to HR registries and benefits, the planning of training programs, the development and management of matters relevant to organizational structures, operating systems and quality, as well as the management of administrative support.

11.3. Finance CSF

The Finance CSF encompasses financial services as well as IT and Purchasing. It is mainly charged with the planning, direction and oversight of the economic activities of the Company, inclusive of the financial statements and reports as well as the budget and the development and investment plans, the achievement of synergies through joint processes, the consolidation of financial figures and statements, the budgeting and control of expenses, as well as the coordination of all tax affairs of the Company; it coordinates and oversees the accounting functions and the preparation of the annual budget, the plans for subsequent years, the issue of monthly reports and rolling forecasts, as well as all types of financial analyses; it is furthermore responsible for planning and scheduling the purchasing functions of the



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Company, vendor market research, cost range analysis, management of calls for bids and the conduct of tenders and negotiations with suppliers, as well as the preparation of contracts and contract management and monitoring.

Article 12: Central Units

12.1. Treasury

TREASURY is charged with the monitoring and structuring of the participation of the company in the capital and loan markets, the financing of the business plans of the Company, the management of liquid funds and liquidity, and risk management. It supports the achievement of the business planning and the strategic goals of the Company, develops the strategy, conducts valuations and realizes financial investments and transactions, implements the strategy of the corporate relations with financial institutions acting as lenders and providers of financial products and services to the Company, while monitoring the fundamentals of the economy and assessing their potential impact on the activities of the Company by advising Management accordingly.

12.2. Strategy and Mergers & Acquisitions

The main areas of responsibility of *Strategy and Mergers & Acquisitions* is the planning of the corporate strategy, the regular review/improvement of the strategic goals of the Company, the coordination of the planning procedures of BUs and their support in the development of strategic plans, monitoring of the strategic plan implementation, the development of procedures and mechanisms for identifying merger & acquisitions prospects for the Company, the valuation of specific opportunities, as well as the preparation of presentations and the elaboration of feasibility studies in respect of potential M&A targets.

Article 13: Central Functions

13.1. Investor Relations and Corporate Governance



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The main objective of *IR & Corporate Governance* is the formulation of the corporate strategy in the areas of corporate governance and investor relations. This Central Function directly communicates and cooperates with Management and all units-functions in order to be able to timely and swiftly draw information for informing the investment public. Through its *Shareholders & Corporate Announcements Dept.*, it is responsible for the administration of the shareholders register and the support of the relevant systems, the management of matters in connection with the central securities depository, matters of shareholder succession, shareholder services and dividend distribution; it manages the relations of the Company with the Athens Stock Exchange, the Hellenic Capital Market Commission while also seeing to the monitoring of the transactions of insiders and other obligations under the Bylaws and the legislation on stock markets, the issue of Press Releases, annual presentations, the annual report, the administration of the Investor Relations page on the company website, the design of promotional material addressed to the investor community on the basis of the reporting requirements and international practice, organizing IR events (Investor Days, Roadshows, conferences in Greece and abroad), as well as the organization and administration of General Meetings of shareholders.

13.2. Communication and Marketing Strategy

Its main objective is the formulation of the strategy of the Company in the areas of communication and marketing. It is tasked with processing and designing the communications plan in line with the business plan of the Company, Media management and crisis communication management, the promotion of the corporate image and the overall publicity of the Company; it is also entrusted with the research, analysis and planning of the commercial strategy of the Company, the support to sale networks as well as the management of marketing programs and advertising campaigns.

E. Procedures for the Recruitment and evaluation of the performance of senior executives

Article 14: Procedures for the Recruitment and evaluation of the performance of senior executives

14.1. Recruitment

A request to this effect is made by the direct supervisors of the senior executives to be recruited, and such request is forwarded to the Human Resources CSF. The request is made by:

- the General Manager of a CSF or CF/CU, when the request involves the post of a director of the respective CSF or CF/CU;
- the Chief Executive Officer, when the request involves the post of a General Manager of a CSF or CF/CU.

HR first examines whether the requirements can be met by appointing to the post an executive already serving in the Company. Should this prove not to be feasible, a notice is published in the daily or periodical press or on the Internet or by other acceptable and expedient means. When the hiring requirement concerns executives of specialist qualifications as defined by the competent General Managers, candidates can be sought through specialist consultants on HR responsibility. An evaluation process then takes place, with the participation of the competent General Manager, in order to select the candidate who is best qualified and suited for the post and the final selection is made by the Chief Executive Officer or the General Managers as the case may be.

14.2. Evaluation

Senior executives are evaluated once every year and the process is coordinated by HR. The Chief Executive Officer and the respective General Manager have authority to evaluate senior executives. Following the evaluation of senior executives for the



current year against the goals set, systematic follow-up on their performance is necessary during the following year in respect of the implementation of the goals set. The above processes are documented in special reports This procedure relies on the following main principles:

- The person under evaluation takes part in, and consents to, the evaluation procedure;
- Results-oriented and planned evaluation;
- Impartial Evaluation;
- Evaluation rules are known in advance, through an open information process;
- Establishment of metrics for the evaluation criteria;
- The person under evaluation is able to have any complaints/objections recorded.

F. Procedures for the monitoring and disclosure of transactions

Article 15: Procedure for the disclosure of transactions by persons discharging managerial responsibilities

- 15.1.** Persons discharging managerial responsibilities, as well as persons closely associated to them, shall notify to the Company any transaction made for their own account which involves the shares or debt instruments of the Company or its affiliated undertakings (within the meaning of art. 42e, para. 5, of Codified Law 2190/1920), or derivatives or other financial instruments linked thereto. Such disclosures shall be made promptly and at the latest three business days after the transaction date.
- 15.2.** All transactions made for the own account of persons referred to in para. 1 above shall be notified by the said persons to the competent authorities.



- 15.3.** The Company makes sure that the information notified pursuant to para. 1 above is made public promptly and at the latest three business days after the transaction, in a manner allowing ready access to such information.
- 15.4.** The notification in respect of transactions referred to in para. 1 shall include the following information:
- the person's name;
 - the reason for notification;
 - the name of the Company;
 - a description and the identifier of the financial instrument concerned;
 - the nature of the transactions (e.g. acquisition or disposal), and an indication as to whether it is linked to the exercise of share option programs or to the specific examples set out in para. 9 of art. 19 of Regulation 596/2014;
 - the date and place of the transactions;
 - the price and volume of the transactions; in the case of a pledge whose terms provide for its value to change, this should be disclosed together with its value at the date of the pledge.
- 15.5.** Para. 1 is applicable to any subsequent transaction once a total amount of 5,000 Euros has been reached within a calendar year. The threshold of 5,000 Euros shall be calculated by adding without netting all transactions referred to in para. 1.
- 15.6.** Persons discharging managerial responsibilities are under the obligation to advise in writing the persons with whom they are closely associated with respect to their obligations and keep a copy of such notification in case it is requested by the Company.
- 15.7.** Shareholders & Corporate Announcements Dept., under the control of the Investor Relations Director, is responsible for adherence to the above, as well as for notification to the competent authorities.



Article 16: Procedure for the disclosure of significant shareholdings under Law 3556/2007

- 16.1.** Under art. 9 of Law 3556/2007, a shareholder acquiring or disposing voting shares admitted to trading in a regulated market and, as a result of such acquisition or disposal, the proportion of voting rights held by the shareholder reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50% and 2/3, such shareholder is required to notify the Company of the proportion of voting rights held by such shareholder as a result of such acquisition or disposal. For the purposes of the preceding sentence, all voting rights shall be calculated even if the exercise thereof is suspended. This information shall also be given by first-time shareholders when by virtue of such acquisition the relevant thresholds are reached or exceeded.
- 16.2.** The requirement under the preceding paragraph applies:
- with respect to all shares to which voting rights are attached, and
 - with respect to each individual class of shares to which voting rights are attached.
- 16.3.** The requirement under paragraph 1 also applies in all cases when the proportion of the voting rights of a shareholder reaches, exceeds or falls below the thresholds provided for in paragraph 1, as a result of events changing the breakdown of voting rights. Such notification is made on the basis of the information disclosed by the Company.
- 16.4.** A shareholder holding a proportion of voting rights in excess of 10% is also required to make the notification provided for in para. 1 in all cases that his proportion of voting rights changes by a percentage equal or greater than 3% of all voting rights in the Company as a result of the acquisition or disposal of shares with voting rights attached thereto or as a result of events as referred to in para. 3. New changes in the said percentage occurring subsequently to the said notification require notification anew.
- 16.5.** For calculating the thresholds specified in this article, the Company is required to disclose the total number of the voting rights and the amount of capital at the end



of each calendar month during which there was an increase or decrease of the said total number.

16.6. The persons under an obligation to notify, pursuant to articles 9 to 11 of Law 3556/2007, are required to disclose to the Company and the Hellenic Capital Market Commission, any significant, pursuant to the above, changes to their proportions of the voting rights in the Company.

16.7. The Company, via the Shareholders & Corporate Announcements Dept., is notified of and discloses –pursuant to the provisions of Law 3556/2007– all the necessary information in respect of significant changes to proportions in voting rights by the insiders, under the said law. More specifically, the Company discloses all information contained in the notification under para. 1 of art. 14 of Law 3556/2007 and article 11 of the said law, received from the insiders, promptly upon receiving same and, in all cases, within two (2) trading days at the latest as of the date of such receipt.

The notification to the Company shall be made in writing as soon as possible, and in all cases not later than three (3) trading days after the date on which the shareholder, or the person referred to in article 10 of Law 3556/2007:

- learns of the acquisition or disposal or of the possibility of exercising voting rights, or
- having regard to the circumstances, should have learned of the acquisition or disposal or of the possibility of exercising voting rights, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect, or
- is informed about the event mentioned in paragraph 3 of article 9 of Law 3556/2007.

Article 17: Obligations to inform holders of securities



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17.1. The Company ensures equal treatment for all holders of shares who are in the same position. The Company ensures that all the facilities and information necessary to enable holders of shares and debt instruments to exercise their rights are available in Greece and that the integrity of data is preserved.

17.2. For the purposes of making available information and facilities to shareholders, as per the preceding paragraph, the Company shall in particular see to it to:

- provide information on the place, time and agenda of meetings, the total number of shares and voting rights and the rights of shareholders to participate in the meetings;
- make available a proxy form in paper or, where applicable, in electronic format, to each person entitled to vote at a shareholders' meeting, together with the notice concerning the meeting or, upon request, after the convocation of the meeting;
- designate as its agent a credit institution or an investment firm through which shareholders may exercise their property rights, and
- publish notices or distribute circulars concerning the allocation and payment of dividends and the issue of new shares, including information on any arrangements for allotment, subscription, cancellation or conversion.

17.3. For the purposes of making available information and facilities to holders of debt instruments, the Company shall in particular see to it to:

- publish notices and distribute circulars concerning the place, time and agenda of meetings of holders of debt instruments, the payment of interest, the exercise of any conversion, exchange, subscription or cancellation rights, and repayment, as well as the right of those holders to participate therein;
- make available a proxy form in paper or, where applicable, in electronic format, to each person entitled to vote at a meeting of holders of debt instruments, together with the notice concerning the meeting or, upon request, after the convocation of the meeting, and

- designate as its agent a credit institution or an investment firm through which holders of debt securities may exercise their property rights.

17.4. Shareholders & Corporate Announcements Dept. is responsible for providing the above information in conformance with the law.

Article 18: Inside Information and control of the communication of information

18.1. Inside Information

- 18.1.1.** The Department of Shareholders & Corporate Announcements draws up a list of all persons having access to inside information who work of the Company under an employment or services contract or otherwise perform tasks on account of which they have access to inside information such as, as an indication, advisers, accountants or credit rating agencies (insider list); the said department is also required to promptly update the list and produce it to the competent authority the soonest possible following a pertinent request.
- 18.1.2.** The Company takes all necessary steps to ensure that any person included in the insider list acknowledges in writing the legal and regulatory duties entailed in respect of securities of the Company or its affiliated undertakings (within the meaning of art. 42e, para. 5, of Codified Law 2190/1920) and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.
- 18.1.3.** The insider list shall include as a minimum:
- the identity of any person having access to inside information;
 - the reason for including that person in the insider list;
 - the date and time at which that person obtained access to inside information, and
 - the date on which the insider list was drawn up.
- 18.1.4.** The insider list must be updated in the following circumstances:
- where there is a change in the reason for including a person already on the insider list;



- where there is a new person who has access to inside information and needs, therefore, to be added to the insider list, and
- where a person ceases to have access to inside information.

Each update shall specify the date and time when the change triggering the update occurred.

18.1.5. The Company maintains the insider list for a minimum period of 5 years after the said list is drawn up or updated.

18.1.6. Events or circumstances that could constitute inside information under Regulation 596/2014 include, as an indication, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or on the price of related derivative financial instruments.

18.1.7. The monitoring of dealings in Company shares by insiders is done by the Department of Shareholders & Corporate Announcements and when a dealing is identified that falls under the rules of disclosure, the Department advises Internal Audit accordingly.

18.2. Control of the communication of information

18.2.1. Confidential information

Confidential information, provided it has not been made public by the means provided for in the applicable legislation, is understood as any information with respect to:

- the business of the Company, its growth, or any change thereto as well as all financial data concerning the corporate assets;
- the transactions of the Company, particularly when included in the minimum content of the Annual Report;
- the partnerships or alliances of the Company with other undertakings;



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- any planned merger, split, acquisition or holding of a significant stake in another undertaking;
- the structure and composition of the corporate bodies;
- details of shareholders;
- details of Senior Executives;
- the planned policy in connection with distribution of profits, share capital increase or a bond loan issue;
- any planned borrowing by the Company;
- any other information relevant to the organizational structure, the property and the business activity of the Company, that could influence investors' judgment in connection with the current or future intrinsic value of its share.

18.2.2. Confidentiality obligation

Liabe Persons who, on account of their authority, gain access to confidential information are required to not disclose same to unauthorized executives or to third parties, and also to take all appropriate and necessary measures for the protection of the confidentiality of information in order to prevent its release to the public, its dissemination to third parties and the unlawful use thereof for the purpose of carrying on transactions. Clauses to this effect are included in the employment contracts of persons working for the Company.

18.2.3. Restriction on the use of confidential information

1. Liabe Persons are required to exercise all diligence in order to prevent the carrying on of transactions that are suspect for unlawful manipulations, e.g. for unlawful influencing of the price of securities, collusion, price manipulation, etc.
2. In the presence of evidence indicating that such transactions have taken place, Liabe Persons are required to advise with no delay the Director to whom they report, or the Chief Executive Officer or the Board of Directors, and the Internal Audit Department of the Company.

18.2.4. Control of the communication of confidential information

1. The Internal Audit Department controls and monitors the communication of information between corporate units and departments for the purpose of ensuring that the Stock Exchange Legislation is complied with and in particular ensuring the prevention of transactions based on inside information.
2. The Internal Audit Department may require of the Liable Persons to make available to it all specific information and details as deemed necessary for such audit to be thorough and effective.

Article 19: Procedure for monitoring transactions and economic activities with customers or suppliers

- 19.1. The Company is required to request information on other economic activities of persons discharging managerial responsibilities, which (activities) are related to the Company and its main customers or suppliers.
- 19.2. Upon assuming their duties, the said persons state in writing any personal and business relationship existing between themselves or their families and any third parties with whom the Company does business (customers, suppliers, consultants, etc.) and undertake to disclose to HR (that keeps a record thereof) any conflict of interest that might arise in the future.

Article 20: Rules and procedure for monitoring and disclosing transactions between related companies

- 20.1. Each associated company adheres to the rules on transparency, independent financial management, fairness and accuracy of transactions, as prescribed by law.
- 20.2. Transactions between the Company and its associated companies are effected for a price or for a consideration, commensurate with the one that would be obtained had the transaction been effected with another private individual or legal entity, under the conditions prevailing in the market at the time that the transaction takes place



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and specifically commensurate with the price or consideration agreed to by the Company when doing business with any third party (arm's length transactions), in full compliance with the requirements prescribed by the relevant legislation.

- 20.3.** In the context of application of the International Accounting Standards and the International Financial Reporting Standards and in particular in accordance with IAS 24 "Related Party Disclosures", the Company is required to disclose, mainly via periodic financial statements, its transactions with related parties. Under the said standard "related parties" are, in addition to the companies (subsidiaries and affiliates) being part of the Group of the Company, the members of Management, senior executives, close members of the family thereof as well as third entities in which the above parties have a significant stake (>20%) and who, on account of the nature of such transactions, have significant influence over the Company's decisions, strategies or economic activities. Updating of related parties' transactions is done on a quarterly basis in the case of remunerations and liabilities and receivables, and on a semiannual basis in the case of participations of members of Management and senior executives or close family members in third entities, whereupon FINANCE transmits a form to the related parties that must be filled-in and returned within 20 days as of the time it was sent. At the end of each quarter FINANCE (charged with the responsibility to monitor transactions with related parties) sends to the liable persons a relevant form which must be filled-in and returned within the first 20 days as of the expiration of the quarter in question.
- 20.4** On the responsibility of FINANCE, information relevant to the said transactions between related parties is included in the report accompanying the financial statements of the Company, for the shareholders' information. On the responsibility of the Board of Directors, all contracts falling under the scope of art. 23a of Codified Law 2190/1920 are submitted to the approval of the General Meeting of Shareholders.



Article 21: Advice to liable persons

- 21.1.** The Dept. of Shareholders & Corporate Announcements is charged with informing the liable persons, as defined in the applicable legislation, so that such persons be aware of their said obligations.
- 21.2.** Given that the Company is related to numerous companies, the Dept. of Shareholders & Corporate Announcements is also required to advise, through any expedient means, the executives and shareholders of the related company and maintain records thereof.

G. Internal Audit

Article 22: Definition

Internal Audit is an independent, objective, assuring and advisory function, intended to add value and enhance the operations of the Company; it assists the Company in achieving its goals by offering a systematic scientific approach to the assessment and improvement of the effectiveness of risk management, internal audit systems and corporate governance procedures.

22.1. Internal Audit Scope and Purpose

Internal Audit is conducted with respect to: a) the implementation and adherence to the Bylaws and the Articles; b) the application and adherence to the legislation applicable to the Company and in particular stock exchange legislation and legislation on corporations; c) the identification of cases of conflict between the interests of BoD members or senior executives and the interests of the Company; d) the oversight of transactions carried on by Company executives and associates/partners relevant to shares in the Company or its affiliated undertakings; e) the control of the transmission of Company information, and f) the assurance of effective organization and operation of the Company in line with the Bylaws, the Articles and decisions made by Management.

22.2 Bodies charged with Internal Audit functions

The internal audit functions are conducted by the Internal Audit Dept. supervised by the Audit Committee.

Article 23. Internal Audit Department

23.1. The Internal Audit Department of the Company is entrusted with the continuous monitoring of the operation of the Company, control with respect to observance of corporate rules, identification and reporting of conflict-of-interest instances, and is required to advise in writing, at regular intervals, the Audit Committee and the Board of Directors with respect to the implementation of the bylaws of the company.

The internal audit task is performed by full-time employees of the company. The Head of the Internal Audit dept. is appointed by the Board of Directors of the Company, he/she reports to the Board and must be suitably qualified and experienced.

Internal auditors (controllers) in the exercise of their duties are independent from other business units and are supervised by the Audit Committee. The Company advises to the Hellenic Capital Market Commission any change to the persons or the organization of internal audit, within ten business days as of the date of such change.

In the exercise of their duties, internal auditors are entitled to have access to any book, document, record, bank account and portfolio of the Company and to any department/unit of the Company. The members of the Board of Directors cooperate with and provide information to the internal auditors and in general facilitate their task by all expedient means.

Management makes available to internal auditors all necessary means for facilitating the exercise of proper and effective control.

The main scope of the Internal Audit Dept. includes the following:



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- It monitors the implementation of, and continuing adherence to the Bylaws and the Articles of Association of the Company and the legislation as applicable to the Company and more specifically legislation on corporations and the stock exchange legislation.
- It reports to the Audit Committee and the Board of Directors any instances of conflict between the private interests of BoD members or senior executives of the Company and the interests of the Company identified during the exercise of its duties;
- It controls the relations and transactions of the Company with its associated companies, as well as the relations of the Company with companies in the capital of which members of the Board of Directors of the Company or shareholders of the Company have a stake of 10% minimum.
- It checks whether the commitments and engagements contained in the information reports and the business plans of the Company with respect to the application of funds drawn from the stock exchange have been met;
- It verifies the legality of remuneration and benefits of all types granted to Management members as compared to the decisions of the competent corporate bodies;
- Internal auditors report in writing, at least once every quarter, to the Audit Committee and the Board of Directors with respect to the audit performed and they attend the sessions of the General Meeting of Shareholders;
- Internal auditors provide, upon authorization by the Board of Directors of the Company, any information that may be requested in writing by the supervising authorities, they cooperate with such authorities and facilitate by any expedient means the monitoring, control and supervisory duties of such authorities.

23.2. The organization of the Internal Audit Dept. is described in the Regulation and Manual of Operations of the said department, setting out its role, its mission and the audit methodology (risk assessment and elaboration of audit plan, sample

selection, documentation of the audit task, processing and communication of the audit results, etc.) The Internal Regulation and the Manual of Operation of the said department draws from experience gained during the performance of audit work. The work of the Internal Audit Department is supervised by the Audit Committee.

Article 24. Audit Committee

24.1. Audit Committee Members and decision-making

- 1.** The Audit Committee is composed of at least three members, who in their majority must be independent members within the meaning of the provisions of Law 3016/2002, as applicable, and constitutes either an independent committee or a BoD committee. More specifically, the Audit Committee is composed of non-executive members of the Board of Directors and by members elected by the General Meeting of shareholders. The term of office of the Audit Committee Members lasts until the expiration of the term of office of the Board of Directors unless otherwise resolved by virtue of a resolution of the General Meeting or of the Board of Directors under authorization by the General Meeting. The members of the Audit Committee as a whole are sufficiently knowledgeable in the areas in which the Company does business and at least one member is a certified public accountant having discontinued professional practice or having retired, or is sufficiently knowledgeable in auditing and accounting. The evaluation of candidates for the Audit Committee is done by the Board of Directors, following a recommendation by the Nominations Committee if established.
- 2.** The Chair of the Audit Committee is appointed by its members or elected by the General Meeting of shareholders and must be independent from the Company within the meaning of Law 3016/2002, as applicable.
- 3.** The Audit Committee meets at regular intervals, at least four (4) times annually, and may hold extraordinary meetings whenever necessary. In all cases, minutes are kept of its proceedings. The Audit Committee meetings are held with the participation of all its members; however, the Audit Committee at its discretion may invite, whenever

so deemed advisable, key management executives including the Chief Executive Officer, the General Manager of Finance and the Head of the Internal Audit Department to attend specific meetings or the deliberation on specific items of its agenda.

The Chair of the Audit Committee calls a meeting of the committee by means of a notice notified to the members at least two (2) business days prior to the date of the meeting; the notice specifies the agenda, the date, the time and place of the meeting.

Audit Committee decisions are passed by absolute majority of the committee members. The Audit Committee may hold self-called meetings when all its members are in attendance. Meetings may also be held by teleconference. The drafting and signing of minutes by all members is equivalent to a meeting and decision even if no meeting was held. The Audit Committee may elect a secretary for keeping the minutes of its meetings; the minutes are made available to all members of the Audit Committee and the Board of Directors.

24.2 Authorities of the Audit Committee

With the liability of the members of the Board of Directors of the Company remaining intact, the Audit Committee has the following authorities and responsibilities pursuant to art. 44 of Law 4449/2017:

24.2.1. Advises the Board of Directors on the results of the statutory audit and explains how the statutory audit has contributed to the integrity of the financial reporting and elucidates the role of the Committee in this procedure; more specifically, the Audit Committee monitors the procedure and the conduct of the statutory audit of the separate and consolidated financial statements of the Company. In this context, the Audit Committee advises the Board by submitting a report on the issues identified by the statutory audit providing detailed explanation of the following:

a) the contribution of the statutory audit to the quality and integrity of the financial reporting, i.e. the accuracy, completeness and correctness of the

financial reporting, including the relevant disclosures, approved by the Board of Directors and made public, and

b) the role of the Audit Committee in the procedure under (a) above, i.e. documentation of the actions performed by the Audit Committee during the conduct of the statutory audit.

In the context of such advice to the Board of Directors, the Audit Committee takes due account of the content of the additional report submitted to it by the certified public accountant, which contains the results of the statutory audit conducted and meets as a minimum the requirements laid down in article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council of 16 April 2014.

24.2.2. Monitors the financial reporting process and submits recommendations or proposals for ensuring its integrity. More specifically, the Audit Committee monitors, examines and evaluates the financial reporting procedure, i.e. the generation mechanisms and systems, the flow and dissemination of financial information generated by the corporate units involved. The said action is also applicable to other publicized reporting by the company (e.g. stock exchange announcements, press releases) in connection with financial information. In this context, the Audit Committee informs the Board of Directors of its findings and submits proposals for the improvement of the procedure, if so deemed advisable;

24.2.3. Monitors the effectiveness of the systems of internal audit, quality assurance and risk management of the company and, as applicable, of the internal audit department, with respect to the financial reporting of the Company, without compromising its independence. More specifically, the Audit Committee monitors, reviews and evaluates the sufficiency and effectiveness of all policies, procedures and controls of the Company with respect to the internal audit system and risk assessment and management, in relation to financial reporting. Where the internal audit function is concerned, the Audit Committee monitors and inspects the proper operation of the Internal Audit Department in conformance with professional standards and the applicable legal and regulatory framework

and evaluates its work, competence and efficiency, without jeopardizing its independence. Furthermore, the Audit Committee reviews the publicized reporting as relevant to the internal audit and the main risks and uncertainties of the Company, in relation to financial reporting. In this context, the Audit Committee informs the Board of Directors of its findings and submits proposals for improvement, if so deemed advisable;

- 24.2.4.** Monitors the statutory audit of the annual and consolidated financial statements and its performance, in particular, taking due account of any findings and conclusions by the competent authority pursuant to para. 6 of art. 26 of Regulation (EU) No. 537/2014;
- 24.2.5.** Reviews and monitors the independence of the certified public accounts or the audit firms pursuant to articles 21, 22, 23, 26 and 27 as well as article 6 of Regulation (EU) No. 537/2014 and in particular the appropriateness of the provision of non-audit services to the Company pursuant to art. 5 of Regulation (EU) No. 537/2014;
- 24.2.6.** Is responsible for the procedure of selection of certified public accountants or audit firms and proposes the certified public accountants or audit firms to be appointed pursuant to art. 16 of Regulation (EU) No. 537/2014, unless para. 8 of art. 16 of Regulation (EU) No. 537/2014 is applicable.

In the context of its above authorities, throughout the year the Audit Committee proceeds with actions (reported to the Board of Directors) including but not limited to the following:

i) External audit / Financial reporting procedure

The Audit Committee is advised on the procedure and the time plan of preparation of financial reporting by Management. The Audit Committee is also advised by the certified public accountant in connection with the annual statutory audit plan prior to its implementation, evaluates the said plan and makes sure that the said plan shall cover the most important audit areas, having regard to the main areas of business and financial risk for the Company.



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Furthermore, the Audit Committee submits proposals for other important issues as well, when it so deems advisable. For the purpose of implementing the above, the Audit Committee meets with Management/senior executives during the preparation of the financial reports as well as with the certified public accountant during the audit planning stage, during the conduct of the audit and during the stage of preparation of the audit reports.

In the context of its authorities, the Audit Committee takes due account and examines the most important issues and the risks that may have an impact on the financial statements of the Company as well as the important judgments and estimates made by Management in preparing same. More specifically, the Audit Committee examines and evaluates thoroughly the following matters, to the extent that this is important for the Company, reporting to the Board of Directors on specific action in connection thereto:

- Evaluation of the making of the 'going concern' assumption;
- Important judgments, assumptions and estimates in the preparation of the financial statements;
- Valuation of assets at fair value;
- Evaluation of the recoverability of assets;
- Accounting of acquisitions;
- Sufficiency of disclosures in connection with significant risks faced by the Company;
- Important transactions with related parties;
- Important unusual transactions.

Accordingly, the Audit Committee communicates timely and effectively with the certified public accountant in view of the preparation of the audit report and his/her additional report to the Audit Committee.

Furthermore, the Audit Committee reviews the financial reports prior to their approval by the Board of Directors, in order to evaluate the completeness and



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consistency thereof compared to the reporting made available to it and the accounting principles applied by the Company, and advises the Board of Directors accordingly.

ii) Procedures of internal audit systems and risk management and Internal Audit Department

The Audit Committee evaluates the staffing and the organizational structure of the Internal Audit Department and identifies any shortcomings therein. If deemed advisable, the Audit Committee makes proposals to the Board of Directors so that the Internal Audit Department can have the facilities required, the necessary number of suitably qualified, trained and experienced personnel, no hindrances in its work as well as the prescribed independence.

Furthermore, the Audit Committee is informed of the annual audit plan elaborated by the Internal Audit Committee prior to its implementation and evaluates same, having regard to the main areas of business and financial risk as well as the findings of previous audits. In this context, the Audit Committee verifies whether the annual audit plan (in conjunction with any medium-term plans) covers the most important areas of audit and systems relevant to financial reporting.

The Audit Committee meets on a regular basis with the Head of the Internal Audit Department to discuss matters within his/her scope of authority, as well as problems that may have arisen under the internal audits performed.

Moreover, the Audit Committee is apprised of the work of the Internal Audit Department and its reports (standing and ad-hoc) and monitors the communication thereof to the Board of Directors, with respect to the financial reporting of the Company.

The Audit Committee also monitors the effectiveness of the internal audit systems mainly through the work of the Internal Audit Department and the work of the certified public accountant.



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Furthermore the Audit Committee inspects the management of the most important risks and uncertainties of the Company and their regular review.

In this context, the Audit Committee evaluates the methods employed by the Company for identifying and monitoring risks, for addressing the most important risks through the internal audit system and the Internal Audit Department as well as for the proper disclosure of same in the published financial reporting.

The Audit Committee advises to the Board of Directors the results of all the above actions, together with its findings, and submits proposals for the implementation of corrective action, if so deemed advisable.

The Audit Committee furthermore monitors the response of Management to its reports submitted to the Board of Directors.

The Audit Committee keeps a record of the Internal Audit Dept. reports and has the right to request of the Internal Audit Department or third parties information it deems necessary for the performance of its work. The Audit Committee operates within the framework of the Bylaws of the Company and its own Terms of Reference.

24.3. Ethical principles and good operating practices for the Audit Committee

- Compliance with the provisions of law, the Articles of Association, the Bylaws of the Company and the decisions of the corporate bodies;
- Loyalty to the Company and prevention of any injury to the interests of the Company;
- Keeping the confidentiality of information;
- Non exploitation and non use of confidential information;
- Prohibition of extra-company activities, which could interfere with independent decision-making and result in a conflict of interest.

Each member of the Audit Committee receives proper advice, training and remuneration in line with the time engaged in committee work. The Audit Committee may engage the services of external advisors and therefore adequate funds are made available to it. The obligations of the Audit Committee must also be observed by the secretary of the Committee, given that he/she is apprised of all its activities.

**H. Operating Principles of the Company / Corporate Policies – Procedures
– Manuals**

Article 25. Code of Conduct / Business Ethics

- 25.1.** For its smooth operation, the Company has embraced a set of main principles that must be adhered to by all its personnel and senior executives. The paramount aim that the Corporate code of conduct seeks to serve is to foster a climate of trust among the various categories and across all levels of the Company workforce.
- 25.2.** The philosophy of the Company is focused on the satisfaction of the requirements of its customers, fast response to market demands and flexible (fast-learning) management systems. The need for documented rules of conduct arose mainly as a result of the growth of the business of the Company, its increased obligations towards supervisory bodies, the fact that important information is handled by a large number of Company employees and the need to establish measures for the prevention of money laundering activities.
- 25.3.** Trust-based cooperation is considered of critical importance for the efficient operation of the Company and for effectively responding to external challenges.
- 25.4.** It is noted that the principles set out in the code of conduct are not intended as a substitute for labor law, case law, labor contracts or regulations but rather define the principles and rules governing the relations between the Company and its employees.



- 25.5.** All Company employees are required to keep in confidentiality all information pertinent to the Company and its business objects.
- 25.6.** Senior executives are required to execute (fill in and sign) a no-conflict-of-interest statement, in which they should disclose any family or business relationship existing between themselves, or their families, and third parties with whom the Company does business (customers, suppliers, consultants, etc.). Moreover, the said executives are required to disclose to HR any conflict of interest that may arise after the time of the execution of the said statement. In case a conflict of interest is identified, HR advises Internal Audit accordingly.

Article 26. Operating procedure manuals

- 26.1.** The Company has established documented “operating procedures” in line and in conformance with the applicable Greek legislation. The said procedures and policies are set out and described in the operating manuals. The responsibility for the development and management of the corporate procedures as well as the process of control with respect to the issue, revision and amendment thereof lies with the respective Business Units and Central Functions, while the IT function ensures the uninterrupted availability of the appropriate operating system. The overall project is coordinated by the CEO Office in cooperation with the respective departments.

In order for a new procedure to enter into effect, it must be approved by the competent BU General Manager or the Chief Executive Officer of the Company as per the authorized organizational structure. The IT department has developed a state-of-the-art standard system of capturing and recording the approved procedures by encoding.

Access to the procedures, guidelines/instructions and documents is controlled via a fully structured authorizations system ensuring access by only authorized personnel and thus safeguarding data security. Access rights are defined by the CEO Office.

Procedures and amendments thereto are created in electronic form and are accompanied by an electronic message communicated to all interested parties.



Every procedure and amendment thereto is accessible through the system and the user may view and print it. Versions of procedures and guidelines/instructions that are replaced by newer ones are archived, however users may only access the current version. The operating procedures of the Company are detailed in the relevant manuals.

Article 27. Corporate Policies

27.1. Compliance

The Company reaffirms as one of its main policies to continuously endeavor that the corporate business be implemented via its employees and executives in full alignment and compliance with the law, the regulations and operation principles of the Company and to expect the participation of each one of its employees and executives towards the fulfillment of this fundamental requirement.

27.2. Relations with employees

One of the main goals of the Company, as an important social entity, is the fulfillment of its social role. The Company is an economic organization with its capital being a main element and the making of profit being a primary aim but at the same time, through profit, it also seeks to ensure the wellbeing of its employees who are seen by the Company as an important factor for its growth. Therefore, employees are 'integrated' within the Company, beyond the provision of work – provision of remuneration relationship, in the sense that the constant improvement of their skills and of the product of their work is inextricably linked to the progress of the Company.

This interdependence, together with the creative coexistence of the economic with the social character of the Company, forms the basis for mapping out the general social policy principles. The general principles, with their clear, dynamic, up-to-date and flexible character, are communicated by care of the Company to all its human resources while adherence to them is a main object of its social policy.



MYTILINEOS

Updated 6/10/2017

The priorities set by the Management of the Company are the safety and protection of the interests of its employees in a setting of wise administration given that, one of the decisive factors of success is the utmost commitment of employees to their duties; for this reason, employees may at all times contact authorized members of Management for all matters of concern so that responses and solutions can timely be given and identified.

27.3. Health and Safety Policy

The health and safety policy of the Company is conformant with the provisions of the applicable legislation and is implemented through adherence to the following main commitments:

- Care and control of appropriate resources and means for safe work;
- Reinforcing a safety culture and inclusion of safety issues in decision-making considerations across all decision-making levels;
- Employee education and training and encouragement to work in a safe and responsible manner;
- Encouragement of the participation of all employees in order to ensure the implementation of this policy and their conformance with the safety rules and guidelines of the Company;
- Identification and assessment of risks under normal and non-normal operation and adoption of measures for risk mitigation and elimination;
- Systematic inspection of work, of the organization and observance of health and safety procedures in order to ensure continuing updating and improvement of same, the compliance with rules and the achievement of the goals set.

The Company, through its competent departments, sees to the correct implementation of this policy. Compliance with health and safety rules is mandatory both for Company employees and for any third party contracting or cooperating with the Company.

27.4. Environmental policy



MYTILINEOS

Updated 6/10/2017

In the context of the prospect for sustainable development, the respect of the environment constitutes a priority ranking at par with personnel safety, quality, financial performance and customer satisfaction. This policy aims at the constant improvement of the environmental performance of the Company and is based on the following principles:

- Compliance with the requirements prescribed by law, as well as with the agreements and engagements to which the Company is voluntarily committed;
- Environmental impact assessment, identification of risks and assessment of the risk for serious accidents in older, current and future activities; inclusion of same in the long-term plans and the new planning of the Company;
- Personnel training, awareness-raising and information in a manner tailored to the individual duties and needs of each one;
- Encouragement of the associates of the Company (contractors, suppliers, customers) to respect the environmental policy of the Company.