



Remuneration Report 2020

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 2020 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

This is the second Report, following the introduction of the 2019 Remuneration Policy. The Report has been reviewed by an external remuneration consultant - Korn Ferry, and 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 2020.

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
- growing revenue generation by new business through the Renewables & Storage Development and Sustainable Engineering Solutions Units (formerly EPC and Infrastructure Unit),
- continuing cost optimization in Metallurgy Unit, while 26% of targeted 2021 Aluminum Capacity, will be from Recycled Aluminum, reducing carbon footprint significantly
- 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

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.

The Committee reviewed and discussed all the advice and feedback received during the engagement. Following these discussions, the final outcome approved by the Committee was modified to take account of the constructive feedback received. Feedback related to the long-term incentive plan duration, post-employment shareholding guidelines and long-term metrics were considered in amending the Remuneration Policy. The Board and the Committee would like to thank all shareholders and proxy advisers for their feedback and advice.

3. How we performed in 2020

In 2020, MYTILINEOS, managed to sustain its operating profitability at the level of previous year, fulfilling the target set by its CEO in the June 2020 Annual General Meeting, taking timely and effective measures. Following closely the domestic and international developments due to COVID-19 and prioritizing the health and safety of its employees, the company responded, promptly, with flexibility and determination for the successful transition to remote working, ensuring the smooth continuation of operations of all Business Units.

More specifically,

- Turnover amounted €1,899 million compared to €2,256 million in 2019, recording a 16% decline, due to the weak pricing environment of the Metallurgy and Power & Gas Business Units and the timeline shift in both implementation and contracting of new projects in the Renewables & Storage Development and Sustainable Engineering Solutions Business Units, due to the pandemic.
- EBITDA stood at € 315 million compared to € 313 million in 2019, benefiting from the strong performance of the Power & Gas Business Unit.
- Q4 2020, EBITDA reached €81 million compared to €65 million in Q4 2019, benefiting from the improvement of the Aluminium prices as well as the significantly improved performance of the Sustainable Engineering Solutions Business Unit.



Overall performance of 2020 was very positive in an unprecedentedly difficult and unpredictable year. The former EPC & Infrastructure BU was transformed with a new organizational structure to promote the goals of Energy Transition and Sustainable Development, focusing on Renewables & Storage Development projects. The Sustainable Engineering Solutions Business Unit had a low performance in 2020, mainly because of Covid-19 pandemic, and the execution timeline shift in both the implementation and the contracting of new projects. Nevertheless, the Business Unit showed resiliency, delivering positive results at the end of the year. Power & Gas Business Unit had a record high performance in 2020, despite reduced electricity consumption in the country due to the pandemic and the 30% lower wholesale market prices (SMP); turnover was reported at €928 million, corresponding to 49% of the total turnover, compared to €996 million in 2019. The Metallurgy Business Unit marked a turnover of €499 million, representing the 26% of the total turnover, compared to €594 million in 2019, a decrease, solely due to lower prices, while sales volumes were increased. The Unit's EBITDA in 2020 was €136 million, while in 2019 was reported at €164 million. The new Metallurgy competitiveness program, "HEPHAESTUS", is in full deployment, with €19 million savings to date. The program is expected to continue until the end of 2021, with a total target set at €60 million, of which €35 million are expected to contribute to the improvement of EBITDA on a recurring basis and the remaining amount to one-off savings.



Remuneration Key Performance Indicator	2020 Actual	2020 Target	2019 Actual
Group EBITDA (€m)	315	335	313
EBITDA Margin (%)	16.6%	15%	13.9%
EPS Yield [ROE] (%)	8%	9%	10.4%
EPS (€)	0.91	0.90	1.01
Leverage Ratio	1.71	2.5	1.3
Energy Production from RES (TJ)	1,879	1,548	1,356
Lost Time Injury Rate ¹	0,19	0	0,04
Fines and non-monetary sanctions ²	0	0	0

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.

Remuneration of the Board’s Executive Directors

Key Remuneration Principles and Target Mix

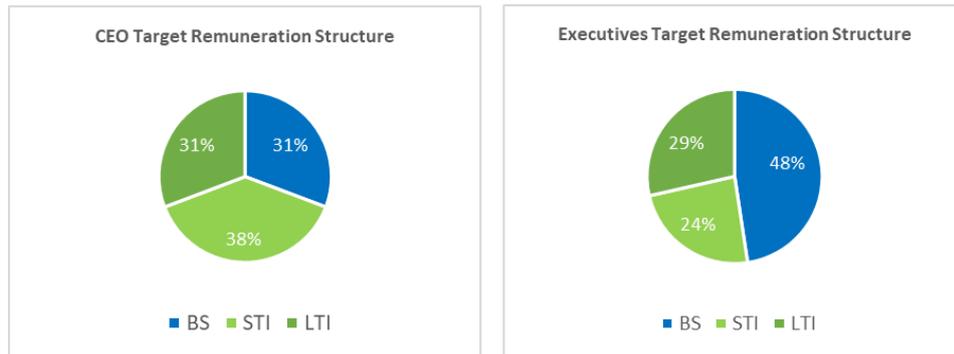
The remuneration policy for the Executive Directors contributes to the Company’s business strategy and long-term interests and sustainability:

- 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:

¹ Lost time per 200.000 working hours due to injury - direct employees.

² Significant fines and non-monetary sanctions for not complying with laws and/or regulations in the social, labour, environmental and economic area/year.



Peer Group

As of 2019, two peer groups are being considered for the remuneration level and design. The 1st 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 2nd peer group is supplementary to the 1st 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.



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

AMAG Austria Metall	Implenia
Boskalis	Indus Holding
CFE	Keller Group
CIR Compagnie Industriali Riunite	Kier Group
Cofide Gruppo de Benedetti	Maire Tecnimont
ERG	Morgan Sindall Group

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.



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.

Variable Remuneration | Short-term incentives (STI)

Form of compensation	Cash
Value determination (on-target performance)	CEO: up to 125% of fixed remuneration Other Executive Directors: up to 50% of fixed remuneration
Targets	Financial targets (at least 60% weight) Non-financial targets (up to 40% weight) <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>
Scenario maximum performance	Up to 200% of the on-target incentive payout

Variable Remuneration | Long-term incentives (LTI)

Form of compensation	Shares or in cash equivalent, provided the Executive Director to buy company shares at 30% of total value granted and hold them for 2 years
Value determination (on-target performance) for granted shares	CEO: 100% of fixed remuneration Other Executive Directors: 60% of fixed remuneration
Criteria for vesting	Enterprise Multiple (Market Capitalization + Value of Debt + Minority Interest + Preferred Shares – Cash and Cash Equivalents/EBITDA)
Scenario maximum performance	150% of the on-target incentive payout
Vesting Schedule	30% on year 5, 30% on year 6, 40% on year 7

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.

The Long-Term Incentive Plan was planned to be activated within the 1st Quarter of FY2020. However, the recent COVID-19 pandemic has placed an enormous uncertainty on millions of entities of all sectors around the world. In 2020, the Board took all necessary measures to protect the employees' health and safety, ensure business continuity, and safeguard the Company's significant liquidity and credit position.

Following last year's Annual Shareholders Meeting, the Company revisited the Long-Term Incentive Plan's design elements, discussed and received feedback at the Shareholder Engagement Meetings.



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.

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:

Role	Annual Fee in EUR
Chairman of the Board	Does not apply
Non-Executive Vice Chairman of the Board	96,000
Lead Independent Director	46,000
Member of the Board	36,000
Committee Chair	10,000
Committee Member	5,000



For further details of the remuneration policy, see:

[https://www.mytilneos.gr/Uploads/genikes_suneleuseis/2019/Mytilneos Board Remuneration Policy 2019 ENG.pdf](https://www.mytilneos.gr/Uploads/genikes_suneleuseis/2019/Mytilneos_Board_Remuneration_Policy_2019_ENG.pdf)



5. Executive Directors' Remuneration in 2020

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

Executive Directors of the Board Remuneration packages as of 1st January 2020

Name	Fixed Remuneration	Other Benefits ³	Annual Variable Compensation	Long-Term Incentive	Extraordinary Items ⁴	Pension Expense ⁵	Total Remuneration	Fixed Remuneration	Variable Remuneration
Evangelos Mytilineos, Chairman and CEO	1,500,000	90,172	3,375,000	-	n/a	n/a	4,965,172	32%	68%
Evangelos Chrysafis, Executive Vice-Chairman B ¹ - Executive Director for Regulatory & Corporate Strategic Issues related to Energy Sector	279,235	55,664	134,033	-	n/a	n/a	468,932	71%	29%
Dimitrios Papadopoulos GM Corporate Governance & Sustainable Development	187,980	8,033	90,230	-	n/a	n/a	286,243	68%	32%

The following table presents information on 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 two financial years, including the reported year. Presenting such information over a five-year period would not be appropriate for comparative analysis and assessment, given that:

(a) the current Board of Directors was appointed on June 7th, 2018;

³ Value of any benefits and perquisites, such as non-business or non-assignment related travel, medical, car, residence or housing, credit cards and other benefits in kind or perquisites. This does not include any sort of cost reimbursement resulting from fulfilment of the director's duties or tasks (e.g. travel or hotel expenses) nor company assets or goods regularly provided to directors in order to fulfil their duties (e.g. mobile phone, tablet, laptop)

⁴ Non-recurring remuneration, whether in cash or in other form, such as a sign-on fee, retention bonus, redundancy payment, compensation for relocation, indemnity for non-competition, compensation or buyout from previous employment contracts or severance and termination payments or benefits.

⁵ Includes both fixed and variable fee contributions, as well as conditional upon the fulfillment of certain performance criteria.



(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.

Comparative table over the Remuneration and Company performance over the last two reported financial years

Annual Change	2020 vs 2019	2019	2020
Executive Director's Remuneration			
Evangelos Mytilineos, Chairman and CEO	-304,954	5,270,126	4,965,172
Evangelos Chryssafis, Executive Vice-Chairman B' - Executive Director for Regulatory & Corporate Strategic Issues related to Energy Sector	-17,269	486,201	468,932
Dimitrios Papadopoulos GM Corporate Governance & Sustainable Development	-17,479	303,722	286,243
Non - Executive Director's Remuneration			
Spyridon Kasdas, Vice Chairman A	-	96,000 EUR	96,000 EUR
Christos Zerefos, Lead Independent Director (until 6/07/20)	- 5,000 EUR	46,000 EUR	41,000 EUR
Panagiota Antonakou, CSR Committee Member	-	41,000 EUR	41,000 EUR
Konstantina Mavraki, Remuneration and Nomination Committee Member, CSR Committee Member	-	46,000 EUR	46,000 EUR
Emmanouil Kakaras, Remuneration and Nomination Committee Member	-	41,000 EUR	41,000 EUR
Ioannis Petrides, Lead Independent Director (from 7/07/20), Chair of Remuneration and Nomination Committee Member, Audit Committee Member (until 02/02/2021)	+ 15,000 EUR	41,000 EUR	56,000 EUR
Alexios Pilavios, Audit Committee Chair	-	46,000 EUR	46,000 EUR
Company Performance			
Group EBITDA (€m)	+2	313	315
EBITDA Margin (%)	+2.7%	13.9%	16.6%
EPS Yield [ROE] (%)	-2.4%	10.4%	8%
EPS (€)	-0.104	1.014	0.91
Leverage Ratio	+0.37	1.34	1.71
Energy Production from RES (TJ)	+523	1,356	1,879
Lost Time Injury Rate	+0.15	0.04	0.19
Fines and non-monetary sanctions	-	0	0
Change in average employee remuneration / Average Number of Employees per Year ⁶			

⁶ The change in employee average remuneration sets out the percentage change in annual base salary, overtime, annual performance bonuses and any ad-hoc bonuses for employees of MYTILINEOS SA., excluding Board Directors. In 2020 an ad-hoc COVID-19 bonus allowance was given to employees working in the company's production plants.



Change in average employee remuneration (€)	+7%	30,324	32,264
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2020 Fixed Remuneration

The diverse business model of MYTILINEOS, in combination to its continuous transformation from a “family-owned” company into a “corporate” with a robust corporate governance framework, requires special talents, skillset and experience, so as to drive the company forward, despite the very demanding and ambiguous business conditions.

Therefore, the Committee considered the replacement cost, which would need to be paid in case these Executives would cease to be with MYTILINEOS, at least until the transformation is completed, especially for the Chairman and CEO who is also the founder of the company and key person in delivering the company’s strategy. In this context, the Committee is targeting at paying at least top quartile of the Executive market - i.e. the respective peer group, which we utilize as a reference – considering the qualities each Executive Director possesses.

2020 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, which in turn makes the necessary proposal to the Board for decision making.

Group EBITDA maintained flat vs 2019 levels despite the COVID-19 pandemic. In addition, the EBITDA Margin, EPS and Leverage Ratio were overachieved. Those criteria, in combination with the function-specific criteria, 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 on the basis of ESG KPI achievement.

The following table presents the 2020 variable remuneration outcomes:



Name	Criteria related to the remuneration component	Relative Weighting	Threshold		Maximum		Actual	
			Performance	Payout	Performance	Payout	Performance	Payout
Evangelos Mytilineos, Chairman and CEO	Corporate targets <ul style="list-style-type: none"> • Group EBITDA • EBITDA Margin • EPS Yield • EPS • Leverage ratio 	80%	85%	90% of Fixed Remuneration	113%	225% of Fixed Remuneration	109,43%	225% of Fixed Remuneration
	Personal targets	20%	No threshold		No maximum		100%	
Evangelos Chrysafis, Executive Vice-Chairman B' - Executive Director for Regulatory & Corporate Strategic Issues related to Energy Sector	Corporate <ul style="list-style-type: none"> • Group EBITDA • EBITDA Margin 	40%	85%		>115%		102%	
	Functional <ul style="list-style-type: none"> • Developed Relationship management with major energy suppliers (PPC) and explore new prospects • Introduced new forms of energy business (e.g. EGN, PPAs, Green Energy, Aggregation, Repowering) • Effective coordination for Government and European Affairs on Energy, Industry and Environment 	40%	80%	34% of Fixed Remuneration	>100%	74% of Fixed Remuneration	81%	48% of Fixed Remuneration
	Personal targets	20%	No threshold		No maximum		100%	
Dimitrios Papadopoulos GM Corporate Governance & Sustainable Development	Corporate <ul style="list-style-type: none"> • Group EBITDA • EBITDA Margin 	40%	85%		>115%		102%	
	Functional <ul style="list-style-type: none"> • First –time submission of BoD Remuneration Report • First –time implementation of CG Roadshow with Stewardship Teams • Design & implementation of the Company's "Emission 	40%	80%	34% of Fixed Remuneration	>100%	74% of Fixed Remuneration	85%	48% of Fixed Remuneration



Name	Criteria related to the remuneration component	Relative Weighting	Threshold		Maximum		Actual	
			Performance	Payout	Performance	Payout	Performance	Payout
	reduction targets setting & decarbonization initiatives" project. <ul style="list-style-type: none"> • Development, for the first time, a corporate Human Rights policy, based on international best practices. • Design & implementation of the 1st Round training of 40 key suppliers for the Principles of Sustainable Development. 							
	Personal targets	20%	No threshold		No maximum		100%	

2020 performance criteria and outcomes | Remuneration in shares

As mentioned in the Variable Remuneration section of this report, the Long-Term Incentive Plan was not implemented, as planned.

Over the interim period between last year's Annual Shareholders Meeting and the end of fiscal year 2020, the Company revisited the Long-Term Incentive Plan's design elements, discussed and received feedback at the Shareholder Engagement Meetings.

Other benefits

Executive Board members receive remuneration for items such as medical insurance, death and disability insurance, and car allowances. These benefits are in line with market practice. The company did not provide loans, nor retirement benefits.

6. Non-Executive Directors' Remuneration in 2020

The table below shows the fees earned in 2020 by each Non-Executive Director:

Name	Role	Annual Fee in EUR
Spyridon Kasdas	Vice Chairman A	96,000
Christos Zerefos	Lead Independent Director (until 6/07/20)	41,000
Panagiota Antonakou	CSR Committee Member	41,000
Konstantina Mavraki	Remuneration and Nomination Committee Member CSR Committee Member	46,000



Name	Role	Annual Fee in EUR
Emmanouil Kakaras	Remuneration and Nomination Committee Member	41,000
Ioannis Petrides	Lead Independent Director (from 7/07/20), Chair of Remuneration and Nomination Committee Member	56,000
Alexios Pilavios	Audit Committee Chair	46,000

7. Outlook 2021

In 2021, MYTILINEOS is revising the Remuneration Policy, primarily, to allow for changes in the rolling Performance Share Plan, in relation to its duration and performance metrics, taking into account the feedback received from key institutional shareholders and proxy advisers during the engagement calls.

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, as well as the introduction of TSR and EPS metrics for the rolling Performance Share Plan and the duration and vesting schedule of 6 years (3+3) are appropriate. In addition payments under the Short-Term Incentive Plan may be paid also in shares other than cash.

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.

In addition, due to introduced and planned advancements in MYTILINEOS's corporate governance arrangements, there is going to be an increase in the time, commitment, scale, scope, responsibility, and, consequently, we will provide for an increase in the fees of the Lead Independent Director and Committee Chairs and members.