

# Corporate Governance Statement

This Corporate Governance Statement constitutes a special part of the Board of Directors' Annual Report pursuant to the provisions of article 43bb of Law 2190/20 as it is now in force.

TITAN Cement Company S.A. (the Company), by virtue of its Board of Directors' resolution dated 16 December 2010, has voluntarily adopted the UK Corporate Governance Code (the Code). A copy of the Code (April 2016 version), can be found on the website of the UK Financial Reporting Council (<https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-2014.pdf>). A Greek translation of the Code can be found on the Company's website (<http://www.titan-cement.com>), at the following address: [http://www.titan-cement.com/UserFiles/File/omilos/190118\\_Code-company-government.pdf](http://www.titan-cement.com/UserFiles/File/omilos/190118_Code-company-government.pdf).

The Company has complied throughout 2017 with the provisions of the Code except in the cases listed below under the paragraph: "Deviations from the Corporate Governance Code"; for any deviation from a particular provision an explanation is included.

The Company, in addition to the provisions of the Code, has complied throughout 2017 with all relevant provisions of the Greek law (namely, Law 2190/1920 as it is now in force and Law 3016/2002).

## Deviations from the Corporate Governance Code

1. Board evaluation by external facilitator (Provision B.6.2 of the Code)

The Board of Directors, to date, has not assigned the evaluation of its performance to external consultants, because it holds the view that the existing procedure for the evaluation of the Board's performance by its members, including the self-assessment of each member's individual performance, has proven to be both effective and efficient. More specifically, the Board of Directors believes that the anonymous self-assessment process allows its members to answer openly and identify without any reservations the weaknesses and malfunctions that they see and to suggest the adoption of measures for the improvement of the performance of the Board of Directors and that of its members. Despite the aforesaid, the Board of Directors has decided, starting from the term in office of the current Board, to appoint once every three years an external consultant to conduct an evaluation of its performance. Given that the Board

of Directors was elected in June 2016, when three new independent directors joined the Board, the Board decided to have the Board performance evaluation, externally facilitated, during the last year of the Board's term, namely in 2018.

2. The existing performance-related remuneration scheme for executive directors does not include provisions that would enable the Company to recover sums paid or to withhold the payment of any such sums. (Provision D.1.1 of the Code).

The Company's view is that this is not necessary, as any performance related sums are paid following vigorous assessment of each executive director's individual performance and in no event may exceed the fixed upper limits set and disclosed in relation to their annual fixed remuneration.

Furthermore, although the existing share option schemes require executive directors to hold a minimum number of shares based on their hierarchical level in Titan Group after vesting and exercising the options, they do not include a requirement to hold shares for a period after leaving the Titan Group.

This has not been deemed necessary given that a. four out of seven executive directors belong to the core shareholders of the Company, whilst the other executive directors have been employed or served as senior officers in the Group for many years and b. all the relevant schemes that the Company has implemented over time provide rights with caution and sparingly and the schemes provide a long (three year) maturity period and other strict requirements in relation to the vesting of the options.

## Board of Directors

### Resumes of Directors

**EFSTRATIOS - GEORGIOS ARAPOGLOU**

**CHAIRMAN**

**Non-executive Director since 17 June 2016**

**Independent, non-executive Director from 18.5.2010 until 17.6.2016 (2 terms)**

**Member of the Nomination and Corporate Governance Committee**

Born in 1951 in Alexandria- Egypt, Mr. Arapoglou has held a number of senior positions in international investment banks in London (1977-1991) and management positions in Greek banks and subsidiaries of international banks in Greece (1991-2000). He has served as Managing Director and Global Head of the Banks and Securities Industry of Citigroup in London (1999-2004) and Chairman and Managing Director of the National Bank of Greece (2004-2009). He was elected to the position of Chairman of the Hellenic Bank Association (2005-2009) and has served as Managing Director of

commercial banking and executive member of the Board of Directors of the investment group EFG – Hermes Holding SAE (2010-2013).

He is serving as Chairman and non-executive director of the Board of Directors of Tsakos Energy Navigation (TEN) LIMITED, a company listed on the New York Stock Exchange, as non-executive director of EFG Hermes Holding SAE, listed on the stock exchanges of Cairo and London, and as non-executive director of Credit Libanais SAL and of Bank Alfalah, listed on the Stock Exchange of Karachi, representing the International Finance Corporation (IFC) on the Bank's Board.

He holds degrees in Mathematics, Naval Architecture and Business Administration from Greek and British universities.

## **NELLOS CANELLOPOULOS**

### **VICE CHAIRMAN**

#### **Executive Director since 24 June 1992**

Born in 1964 in Athens –Greece, Mr. Canellopoulos held from 1996 to 2016 the position of External Relations Director of TITAN Group.

He had previously served in the Sales Division of TITAN Group (1990-1996) and in Ionia S.A. (1989 and 1990).

Mr. Canellopoulos is the Chairman of the Paul and Alexandra Canellopoulos Foundation.

He is also serving as Chairman of the Board of Directors of the Hellenic Cement Industry Association and of the N. Canellopoulos C. Adamantiadis S.A.

## **DIMITRI PAPALEXOPOULOS**

### **CHIEF EXECUTIVE OFFICER**

#### **Executive Director since 24 June 1992**

#### **Chief Executive Officer since 1996**

Born in 1962 in Athens- Greece, Mr. Papalexopoulos started his career as a business consultant of McKinsey & Company Inc. in USA and Germany. Subsequently, he joined TITAN in 1989.

He is Vice-Chairman of the Board of the Hellenic Federation of Enterprises (SEV), while he is a member of the Board of the Foundation for Economic and Industrial Research (IOBE), the Hellenic Foundation for European and Foreign Policy (ELIAMEP) and the European Round Table for Industrialists (ERT).

He holds an MSc in Electrical Engineering from the Swiss Federal Institute of Technology (ETHZ-1985) and an MBA from Harvard Business School (1987).

## **MICHAEL COLAKIDES**

### **TITAN Group CFO**

#### **Executive Director since 12 January 2016**

#### **TITAN Group CFO and Senior Strategic Advisor since 2014.**

Born in 1954 in Nicosia-Cyprus, Mr. Colakides started his career at Citibank Greece as Head of Corporate Finance and Local Corporate Banking (1979 – 1993). In 1993 he was appointed executive Vice Chairman at the National Bank of Greece and Vice Chairman at ETEBA Bank S.A.

From 1994 to 2000, he served as CFO of TITAN Group and was also responsible for a number of acquisitions in Southeastern Europe and the US. He also served as an executive director of the Board of the Company (1998-2001).

From 2000 to 2007, he served as Vice Chairman and Managing Director of Piraeus Bank S.A. overseeing the domestic Wholesale and Retail Banking business as well as the group's International network and activities. From 2007 to 2013 he was Deputy Chief Executive Officer – Group Risk Executive of EFG Eurobank Ergasias S.A.

He is a member of the Board of Directors of EUROBANK CYPRUS Ltd.

He holds a BSc in Economics from the London School of Economics and an MBA from the London Business School.

## **DOROS CONSTANTINOU**

#### **Independent Non-Executive Director since 14 June 2013 (2nd term)**

#### **Senior Independent Director**

#### **Chairman of the Audit Committee**

Born in 1950 in Larnaka – Cyprus, Mr. Constantinou started his career in Price-Waterhouse (1975-1985). Thereafter, he joined the management team of Hellenic Bottling Company (3E), where he was appointed as Finance Director of the Industrial Division of the Group (1992-1995) and later as Deputy Chief Financial Officer of the Group (1995-1996) and Chief Financial Officer (1996-2000).

He served as Managing Director in Frigoglass S.A.I.C. from 2001 to 2003 and as Managing Director in Coca-Cola Hellenic Group from 2003 to 2011.

He studied economics in the University of Piraeus, from which he graduated in 1974, specializing in Business Administration.

**HIRO ATHANASSIOU****Independent, Non-Executive Director since 17 June 2016 (1st term)****Chairman of the Remuneration Committee****Member of the Nomination and Corporate Governance Committee**

Born in 1960 in Athens - Greece, Mrs Athanassiou has served as Executive Vice President and Chairman of Unilever Greece and Cyprus from December 2013 till December 2017. Before this, she was member of Unilever Food Solutions Global Executive Board, as Senior Vice President responsible for Latin America, South & Eastern Europe, Turkey and Russia. During her 33 years in U/L, she has served in various roles in Marketing, Sales Development and General Management, in Greece and abroad.

She served as a non-executive member of the Board of Directors of the Piraeus Bank, as director of the Board of the Hellenic-Dutch Association and member of various professional boards and trade associations (Hellenic Management Association, Hellenic Institute of Marketing, Women's Organisation of Managers and Entrepreneurs, Association of Chief Executive Officers).

She is currently member of the board of Directors of the Hellenic Federation of Enterprises (SEV), the Foundation for Economic and Industrial Research (IOVE), the Alumni of The American College of Greece (ACG), and mentor at the Orange Grove of the Dutch Embassy.

She holds an MSc from the Department of Economics from London School of Economics and Political Science, and a BA (Hons) in Marketing and Management from Deree College (ACG).

**TAKIS-PANAGIOTIS CANELLOPOULOS****Executive Director since 10 May 2007**

Born in 1968 in Athens- Greece, Mr. Canellopoulos was Investor Relations Director of TITAN Group from 2001 to May 2016

From 1995 to 2001, he worked in various positions in the Finance Department of TITAN Group. Previously he had worked as a financial analyst in AIG and in the Financing Division of EFG Eurobank.

He is a member of the Board of Directors of Canellopoulos Adamantiadis S.A. and Grivalia Properties REIC.

He is also a member of the Board of Directors of the Union of Listed Companies (ENEISET).

He studied Economics (BA) at Brown University in USA and Business Administration (MBA) at the New York University / Stern School of Business in USA.

**ALEXANDER MACRIDIS****Independent, Non-Executive Director since 17 June 2016 (1st term)****Member of the Remuneration Committee**

Born in 1962 in Athens- Greece, Mr. Macridis is the Chairman and CEO of Chryssafidis S.A., a construction materials distribution company founded in 1882 and operating in the Balkans and Africa.

He is a member of the Board of Aegean Airlines, IOBE, The American College of Greece and Alba. He is currently the General Secretary of the Federation of Greek Industries (SEV) and serves on the Yale President's Council on International Activities.

He holds a BA in Economics and Political Science from Yale College, a JD from Yale Law School and an MBA from Harvard Business School.

**DOMNA MIRASYESI-BERNITSA****Independent, Non-Executive Director since 14 June 2013 (2nd term)****Chairman of the Nomination and Corporate Governance Committee**

Born in 1960 in Athens- Greece, Mrs. Mirasyesi-Bernitsa is a qualified lawyer, member of the Athens Bar Association. She is also a Partner at Bernitsas Law Firm.

She has worked as a legal advisor at the Special Legal Service of the Ministry for Foreign Affairs (1986-1987) and at the Department of Political Science and Public Administration of the University of Athens (1985-1990). She has also served as a member of the Board of Directors of St. Catherine's British School (2009-2017).

She holds a bachelor's degree from the Law School of the UNIVERSITY OF ATHENS and has obtained a master's degree (LLM) in European Law from the London School of Economics.

**IOANNA PAPAPOPOULOU****Independent, Non-Executive Director since 17 June 2016 (1st term)****Member of the Audit Committee.**

Born in 1952 in Athens- Greece, Mrs. Papadopoulou is the Chairman and CEO of E.J. Papadopoulos S.A., Biscuit & Food Products Manufacturing Company, which was founded in 1922. She also holds the position of Chairman and Managing Director of Greek Food Products S.A. and IKE Akinita S.A.

She studied Food Chemistry in England.

**ALEXANDRA PAPAEXOPOULOU- BENOPOULOU****Executive Director since 23 May 1995****Group Strategic Planning Director since 1997**

Born in 1966 in Athens- Greece, Mrs. Papalexopoulou- Benopoulou worked from 1992 to 1997 as a senior officer in the Titan Group Exports Division. Previously, she had worked for the OECD and the consultancy firm BOOZ, Allen & Hamilton in Paris.

She has served as a member of the Board of Directors of the National Bank of Greece from 2010 until July 2015, of Frigoglass from 2003 to February 2015 and of Emporiki Bank from 2007 to 2009.

She is a member of the Board of Directors of Coca-Cola HSC AG, of the Paul and Alexandra Canellopoulos Foundation and of ALBA Graduate Business School. She is also serving as trustee in The American College of Greece.

She studied Economics at the Swarthmore College, USA, and Business Administration (MBA) at INSEAD, Fontainebleau, France.

**PETROS SABATACAKIS****Independent, Non-Executive Director since 2010 (3rd term)****Member of the Remuneration Committee.**

Born in 1946 in Athens- Greece, Mr. Sabatacakis held from 1999 to 2004 the position of Chief Risk Manager in Citigroup Inc. He was also a member of the Management Committee and Director of Citicorp and Citibank, N.A. From 1992 to 1997, he was in charge of the financial services subsidiaries of the American International Group, its treasury operations, as well as the market and credit risk activities. He was a member of the executive committee and partner of C.V. STARR. He has also worked at Chemical Bank (now J.P. Morgan Chase).

He has served as Chairman of Plan International and Childreach International (Non-profit Organization), as trustee of the Athens College in Greece, and as member of the Board of Directors of the Gennadius Library.

He has earned three degrees from Columbia University: a bachelor's degree (BSc), a master's degree in Business Administration (MBA) and a PhD in Economics.

**PLUTARCHOS SAKELLARIS****Independent, Non-Executive Director since 14 June 2013 (2nd term)****Member of the Audit Committee.**

Born in 1964 in Thessaloniki - Greece, Mr. Sakellaris is Professor of Economics and Finance at Athens University of Economics and Business. He was Vice

President of the European Investment Bank (2008-2012). Prior to joining the EIB, he held the position of the Chairman of the Council of Economic Advisers at the Greek Ministry of Economy and Finance and was representing Greece in the Economic and Financial Committee of the European Union and acted as Deputy to the Finance Minister at the Eurogroup and ECOFIN Councils, as well as Alternate Governor for Greece at the World Bank. He has also been a member of the Board of Directors of the National Bank of Greece and of the Greek Public Debt Management Agency.

He has taught at the Department of Economics at the University of Maryland, USA and other Universities and he has worked as Economist at the Federal Reserve Board and as Visiting Expert at the European Central Bank (ECB).

He serves as non- executive director on the Board of Hellas Capital Leasing S.A and Credit M S.A.

He graduated from Brandels University, in USA (BA) in Economics and Computer Science and holds a PhD in Economics from Yale University.

**EFTHYMIOS VIDALIS****Executive Director since 15 June 2011****Group's advisor on matters of Strategy and Sustainable Development**

From 2004 to 15.06.2011 he had served as an Independent Non-Executive director.

Born in 1954 in Washington D.C. -USA., Mr. Vidalis worked for Owens Corning in USA from 1981 until 1998 and from 1994 to 1998 he served as Chairman of the global activities of Synthetic Materials (Composites) and Insulation Materials consecutively.

He was the Chief Executive Director (2001-2011) and Chief Operating Officer (COO) (1998-2001) of S&B INDUSTRIAL MINERALS S.A and a member of the company's Board of Directors for 15 years.

He is a member of the Board of Directors of ALPHA BANK and of Future Pipe Industries in Dubai.

He has served as Vice Chairman of the Hellenic Federation of Enterprises (SEV) from 2010 until 2014, as General Secretary of SEV from 2014 until June 2016 and as Chairman of SEV's Committee for Sustainable Development from 2008 until June 2016. From 2005 to 2009, he served as Chairman of the Greek Mining Enterprises Association (SME).

He studied Political Sciences (BA) and Business Administration (MBA) at Harvard University.

**BILL ZARKALIS****Executive Director since 14 June 2013****Director USA Region**

Born in 1961 in Athens- Greece, Mr. Zarkalis has served as Chief Financial Officer (CFO) of the TITAN Group from 2010 until May 2014 and as Executive Director for Business Development and Strategic Planning from 2008 until 2010.

For 18 years, he held a number of global business leadership positions in USA and Switzerland with the Dow Chemical Co. Among others, he served as Vice President of Dow Automotive, Business Director for Specialty Plastics & Elastomers, Business Director for Synthetic Latex, etc.

He holds a bachelor's degree in Chemical Engineering from the National Technical University of Athens (1985) and a master's degree (MSc) from the Pennsylvania State University in USA (1987).

**Composition and Operation of the Board of Directors****The role and competences of the Board**

The Board of Directors is the Company's supreme administrative body. The Board of Directors' main role and duty is to determine the Group's long term objectives, strategy and risk appetite; provide entrepreneurial leadership; set the Company's values and standards; ensure the establishment and operation of effective internal control and risk management systems; monitor and resolve any conflicts of interest of members of the Board of Directors and senior officers vis-à-vis the interests of the Company; review management performance; determine the remuneration of Directors and senior executives; and ensure satisfactory dialogue with shareholders.

The Board of Directors is exclusively responsible for taking decisions on important matters such as: the approval of the Company's annual, 6month and interim financial statements before they are published; the approval of the annual budget; the approval of increases of the Company's share capital in the specific cases permitted by the law and after the granting of relevant authorization by the General Meeting; the approval of issuing corporate bonds, a power exercisable concurrently with the power of the General Meeting and subject to the provisions of Articles 8 and 9 of Law 3156/2003; convening the General Meeting of Shareholders; making recommendations on items of the agenda at the General Meeting; preparing the Annual Report and the other reports required by the applicable legislation and the Code; appointing the Company's legal representatives and special representatives and agents; appointing the Company's internal auditors.

Based on the Company's Articles of Association and excluding the above mentioned cases where the Board is required to act collectively as a body, the Board may delegate part of its administration and representation powers to the Executive Committee, the scope of tasks and responsibilities of whom are stated herein below, or to one or more board members, managers or employees of the Company or to third parties,

The Company maintains appropriate insurance cover in respect of legal action against its directors.

**Composition of the Board of Directors**

Regarding the composition of the Board, the following rules are taken into account:

- A. The maximum number of directors on the Board is fifteen (15);
- B. The roles of Chairman and CEO should not be exercised by the same person;
- C. Excluding the Chairman, at least one-half of all directors should be independent;
- D. Independent directors should not serve for more than nine years on the Board;
- E. Should the Chairman not meet on appointment the independence criteria of the UK Corporate Governance Code, there should be an independent Vice-Chairman;
- F. Independent directors should undertake that they will have sufficient time to fulfill their duties.

The current Board consists of 15 directors, all of whom were elected by the Annual General Meeting of Shareholders on 17 June 2016, for a three-year term expiring at the Annual General Meeting of 2019.

In conformity with the above rules, the roles of Chairman and CEO of TITAN are not exercised by the same person and a clear division of the responsibilities of the two roles is expressly set out in the Company's Internal Regulation and has been set out in writing and agreed by the board.

At Titan no individual has unfettered powers of decision.

The majority of directors, namely 8 out of 15, including the Chairman, are non-executive directors and seven of them are independent directors.

The Chairman, Mr. Arapoglou although he met too, when he was elected and until today, all the independence criteria set out in the UK Corporate Governance Code as well as the additional independence requirement which has been set by the Company, according to which, independent directors must not hold more than 0.1% of the share capital of the Company, pursuant to the Greek corporate governance Law 3016/2002 providing that the Chairman has a "dependency relationship" with the Company, he could not be elected as independent. Other than this, Mr. Arapoglou meets

all the independence requirements of the Greek law too.

The eight non-executive members of the Board of Directors are: Mr. Efstratios – Georgios Arapoglou, Mrs. Hiro Athanassiou, Mr. Doros Constantinou, Mr. Alexander Macridis, Mrs. Domna Mirasyesi-Bernitsa, Mrs. Ioanna Papadopoulou, Mr. Plutarchos Sakellaris and Mr. Petros Sabatacakis.

7 out of 15 directors on the Board, namely Mr. Nellos Canellopoulos, Mr. Dimitri Papalexopoulos, Mr. Michael Colakides, Mrs. Alexandra Papalexopoulou-Benopoulou, Mr. Takis- Panagiotis Canellopoulos, Mr. Efthymios Vidalis and Mr. Bill Zarkalis are executive directors.

### Independent directors

The General Meeting of 17 June 2016, following relevant recommendation of the Nomination and Corporate Governance Committee and, thereafter, of the Board, elected seven (7) directors, namely Mrs. Hiro Athanassiou, Mr. Doros Constantinou, Mrs. Domna Mirasyesi- Bernitsa, Mr. Alexander Macridis, Mrs. Ioanna Papadopoulou, Mr. Plutarchos Sakellaris and Mr. Petros Sabatacakis as independent directors.

The independent non-executive directors meet all the independence requirements stipulated in Greek corporate governance Law 3016/2002 and in the UK Corporate Governance Code. They also meet the additional independence requirement which has been set by the Company, according to which, independent directors must not hold more than 0.1% of the share capital of the Company.

In total, the independence criteria followed by the Company are stated below. They can be also found on the Company's website <http://www.titan-cement.com> at the following address: <http://www.titan-cement.com/en/titan-group/corporate-governance/board-of-directors>

On the basis of the above, the independent non-executive directors of the Company:

1. Should be independent in character and judgment and free from circumstances which are likely to affect their independence.
2. Should not hold directly or indirectly more than 0.1% stake in the Company's share capital and have no dependence relationship with the Company or its affiliates.
3. Should have not served as Chairman or Chief Executive Officer (CEO) or executive director or officer or employee in the Company or the Group within the last five years.
4. Should not have, or should not have had within the last three years any material business or employment relationship, directly or indirectly, with the Company.
5. Should not receive, or should have not received any additional remuneration from the Company

apart from a director's fee for participating in the Board.

6. Should not participate in the Company's share option or performance related pay scheme, nor should they be members of the Company's pension scheme.

7. Should not have close family ties with any of the Company's advisers, directors or senior employees.

8. Should not hold cross- directorships and also should not have significant ties with other directors through involvement in other companies or bodies.

9. Should not represent a significant shareholder.

10. Should have not served on the Board for more than nine years from the date of their first election.

Independent non-executive directors meet, once a year under the Senior Independent Director, without the presence of the Chairman and the executive directors, in order to evaluate the performance of the Chairman. They also hold meetings at least once annually under the Chairman, without the presence of the executive directors.

Such separate meetings of the independent and of the non-executive directors were held on 14 December 2017. The first was led by the Senior Independent Director and the second by the Chairman.

### The role of non-executive directors

As already mentioned, the majority of the Board of Directors, namely eight (8) members out of fifteen (15), are non-executive directors.

Their role is to constructively challenge and help develop proposals on strategy, scrutinize the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance.

Non- executive directors should satisfy themselves on the integrity of the financial information provided by the Company and also that the existing financial controls and systems of risk management are robust and defensible. They are also responsible for determining the levels of remuneration of the executive directors and have a prime role in appointing and where necessary removing of executive directors and in succession planning.

The Board has determined pursuant to provision B.1.1. of the UK Corporate Governance Code that all non-executive Directors, namely Mr. Efsratios- Georgios Arapoglou, Mrs. Hiro Athanassiou, Mr. Doros Constantinou, Mr. Alexander Macridis, Mrs. Domna Mirasyesi-Bernitsa, Mrs. Ioanna Papadopoulou, Mr. Plutarchos Sakellaris, Mr. Petros Sabatacakis are independent in character and judgement and there are no relationships or circumstances which are likely to affect their judgement.

## Executive Directors

The seven (7) executive directors on the Board have the executive responsibility for the running of Titan Group's business. Six of them, including the CEO, come from the shareholding core or senior management of the Company and provide their services pursuant to employment agreements with the Company.

In this context, Mr. Dimitri Papalexopoulos is the Group CEO, Mr. Michael Colakides is the Group CFO, Mr. Bill Zarkalis, is the USA Region Director and Mrs. Alexandra Papalexopoulou- Benopoulou is the Group Strategic Planning Director. Mr. Nellos Canellopoulos, currently serving as Vice-President on the Board, has served Titan from various positions, including the position of the External Relations Director and, likewise, Mr. Takis- Panagiotis Canellopoulos has been Titan's Investor Relations Director for many years.

Finally, Mr Efthymios Vidalis has been providing consulting and advice to Titan Group, on matters of strategy and sustainable development for more than 6 years.

## Chairman

Mr. Efstratios-Georgios Arapoglou, non- executive director, was elected by the Board on 17.6.2016 as its Chairman. Mr. Arapoglou who had already served on the Board during 2013-2016 as Vice-Chairman and Senior Independent Director, has a long and distinguished career in commercial and investment banking in the US, the UK, Egypt, Turkey and Greece.

As already mentioned, the Chairman met on appointment, and still meets today, all the independence criteria set out in provision B.1.1. of the Code as well as the additional independence requirement set by the Company and all independence requirements provided by Greek Law 3016/2002 except the one providing that the Chairman of the Board has a dependency relationship with the Company and, therefore, cannot be considered as independent.

The Chairman is responsible for Board leadership and for ensuring the Board's effectiveness on all aspects of its role. He is responsible for promoting a culture of openness and debate by facilitating the effective contribution of non- executive directors in particular and ensuring constructive relations between executive and non- executive directors. He is also responsible for ensuring that non- executive directors are kept fully updated so that

they can effectively perform their monitoring and decision-making role.

The Chairman is also responsible for facilitating effective communication with shareholders.

The Chairman presides the Board meetings and is responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. He is also responsible for ensuring that the directors receive accurate, timely and clear information.

## Senior independent director

The Board appointed on 17.6.2016 Mr. Doros Constantinou, as Senior Independent Director. In this capacity, Mr. Constantinou has a duty, when required, to assist the Chairman with his tasks and serve as an intermediary for the other directors when necessary.

The Senior Independent Director is available to shareholders, if they have concerns, which contact with the Chairman, the Managing Director or other executive directors has failed to resolve, or for which such contact is inappropriate.

## Company Secretary

The Company Secretary is appointed by the Board.

The Company Secretary's responsibilities include ensuring good information flows within the Board and its committees and between senior management and non- executive directors, and advising the Board on all governance matters.

The Company Secretary is responsible to the board for ensuring legal and governance compliance of board procedures. All directors have access to her advice and services. The Company Secretary, when acting in her capacity, reports directly to the Board. Mrs. Eleni Papapanou, lawyer, Head Counsel, is serving since 2006 as Company Secretary.

## Board meetings

Directors meet as often as required to enable them to effectively discharge their duties and responsibilities.

In order to ensure maximum attendance, the Board sets by the end of November the dates of the Board meetings for the following year.

Board decisions are taken with absolute majority provided that more than one half of the directors are present or duly represented at the meeting and at least three of them are physically present.

A director who is unable to attend a meeting is entitled to appoint another director as his proxy to vote in respect of her/him.

Each director can be appointed and vote as proxy of only one other director.

Independent directors may only be represented by other independent directors or by the Chairman

Senior Group or Company officers are allowed to attend Board meetings, following invitation by the Chairman, when issues within their remit are being discussed.

The Board's agenda is set by the Chairman and is sent to the directors in good time ahead of the meeting, along with all required information and supporting documents.

The minutes of the previous meeting are signed at each subsequent meeting. Those minutes are kept by the Company Secretary and record summaries of the views of members of the Board of Directors, the discussions which took place and any decisions taken.

### **Nomination of board candidates**

The Nomination and Corporate Governance Committee is responsible for leading the process for the search of Board candidates, on merit, against objective criteria and with due regard for the benefits of diversity on the Board and for making relevant recommendations to the Board.

The Committee evaluates the balance of skills, experience, independence and knowledge on the board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular candidate nomination. It also considers the need for progressive refreshing of the Board.

The Committee is responsible for ensuring that the selected Board candidates will have sufficient time to fulfill their duties. To this end, the nomination letters set out the expected time commitment of each nominated candidate.

In discharging its duties, the Committee is entitled, where it deems it necessary, to use the services of external search consultants or open advertising.

### **Board diversity**

TITAN recognizes the importance of diversity at the Board and all levels of the Group, in particular in relation to gender but also in relation to other aspects such as educational and professional background, age, place of domicile, residence), nationality, etc. The Company through its Human Rights Policy promotes diversity across the operations of TITAN Group and supports the recruitment and development of talented employees, solely on the basis of their value and regardless of their gender or ethnic background. Likewise, the Board promotes diversity in its composition as well as in the composition of the Board committees through the nomination of more women as well as of directors of different age and of different educational and

professional background. As a result, as of 2016 the number of women on the Board was doubled from 2 to 4. Moreover, one out of the three members of the Audit and the Remuneration Committee and two out of the three members of the Nomination and Corporate Governance Committee are female. Diversity on Board level has also been promoted through a balanced mixture of academic and professional skills. More specifically, the Board includes directors coming from the banking sector, the corporate/business sector, legal and audit services as well as from the academic community. As far as residence is concerned, two board members reside in USA and two in Cyprus.

During its annual evaluation the Board has considered diversity as part of its performance and effectiveness review.

### **Obligations of directors**

On joining the Board, all directors receive formal induction. Moreover, throughout their term in office, the Chairman ensures that they constantly expand their skills in areas of importance to the Company and their knowledge of the Company.

The directors are obliged to attend the scheduled Board and Committee meetings and to allocate the time required to effectively discharge their duties. To this end, before their election, they have a duty to inform the Board of Directors about their other important professional commitments and directorships with a broad indication of the time involved. Subsequently, they are obliged to inform the Board of any relevant changes.

The executive directors, who offer their services to the Company on the basis of an employment relationship or a contract for the provision of services, are not allowed to serve on the Board of more than two other listed companies.

The independent non-executive directors are obliged to disclose to the Board any factual information that could result in a change of their status as independent directors.

All directors are obliged to refrain from any transaction on their own account or for the account of a third party relating to shares or debt securities of the Company during a closed period of 30 calendar days before the announcement of the interim and year-end financial reports of the Company.

### **Conflict of interests**

All directors are obliged to immediately disclose to the Board whether they have personal interests that conflict, or could potentially conflict with the interests of the Company or its affiliates. Given their access to privileged and inside information, directors are prohibited to refrain from using such information on their own account or for the account of third parties to directly or indirectly purchase or sell shares or debt

securities of the Company and/ or any other company of the Titan Group. They must also not disclose that information to other persons or induce third parties to purchase or sell shares in the Company or its affiliates, which are traded on a regulated market, based on the aforesaid privileged information to which they have access.

Furthermore, directors, during their term of office, must not serve as directors on the Boards, or as officers or employees of business entities that are competitors to the Company or the Group's companies, and generally they must abstain from any actions, either when acting on their behalf or on behalf of third parties, that fall under any the Company's objectives, without the approval of the General Meeting of Shareholders. In any of the above events, they are obliged to inform immediately the Chairman of the Board of Directors and resign from the Company's Board of Directors.

### Board Committees

The Board Committees have been set up by the Board and are comprised entirely of independent, non-executive members with the exception of the Nomination and Corporate Governance Committee, one member of which is the Chairman (non-executive director).

The Board Committees are entitled to retain the services of specialists and of technical, financial, legal or other consultants.

### Audit Committee

Chairman: Doros Constantinou, independent, non-executive director

Members:

- Plutarchos Sakellaris, independent, non-executive director
- Ioanna Papadopoulou, independent, non-executive director

Alternate members:

- Alexander Macridis, independent, non-executive director
- Petros Sabatacakis, independent, non-executive director

The Audit Committee consists exclusively of independent directors two of whom have extensive, recent and relevant financial experience. Further, the Audit Committee, as a whole, has competence relevant to the industrial sector.

All Audit Committee members (regular and alternate) were elected by the General Meeting of Shareholders on 17 June 2016.

The main role and responsibilities of the Audit Committee include:

- monitoring the integrity of the financial statements of the Company and of any formal announcement relating to the Company's financial performance;
- monitoring the Company's internal financial controls;

- monitoring the Company's internal control and risk management systems;

- monitoring and reviewing of the effectiveness of the Company's internal audit function;

- monitoring and reviewing the effectiveness of the statutory audit process and the external auditor's independence and objectivity;

- making recommendations to the Board, for it to submit to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment or removal of the external auditor and to approve the remuneration and terms of appointment of the external auditor;

- developing and implementing a policy on the engagement of the external auditor to supply non-audit services and reporting to the Board;

- reporting to the Board on how the Committee has discharged its duties;

- monitoring and reviewing the existing confidential reporting procedure through which the employees raise concerns about possible improprieties and infringements of the Company's Code of Conduct and ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

The Audit Committee's duties and competences and its internal regulation have been posted to the Company's website (<http://www.titan-cement.com/en/>) at the link: <http://www.titan-cement.com/en/titan-group/corporate-governance/board-of-directors-committees/audit-committee/>

The Audit Committee holds at least four scheduled meetings every year. It also holds unscheduled meetings whenever this is considered necessary.

### Description of the work of the Audit Committee in 2017

During 2017, in discharging its duties, the Audit Committee held seven meetings on March 20, March 22, May 9, July 26, September 27, October 30 and November 20, 2107.

The Committee reviewed the 2016 Annual Report, the half year report and any formal announcement relating to the Company's financial performance and has recommended to the Board to approve them.

In 2017, the Audit Committee monitored the Company's internal control and risk management systems as well as the effectiveness of the Company's internal audit function. The Committee has received and approved the Internal Audit Plan for the year 2017. During the year, the Committee received all internal Audit Reports outlining the principal findings and management's responses thereto. The Committee had regular meetings with the Director of Internal Audit to discuss functional and organizational issues. Three-month progress reports with reference to the most important audit

findings as well as the annual internal audit schedule were also submitted to the Committee during the course of the year.

During the course of the year, the Audit Committee has regularly reported to the Board on how it has discharged its duties.

### External Auditors

In 2017, the Audit Committee held two separate meetings on March 20 and on July 26 with the external auditors without any executive directors or other Company employees present. The Audit Committee, on behalf of the Board, has assessed the effectiveness of the external audit process. The Committee has considered the experience and knowledge of the PwC audit team and concluded that the audit process applied by the external auditors was effective. The Committee also monitored the objectivity and independence of the external auditors.

Given that PwC have been the Group's external auditors only since 2015 and that the level of satisfaction with their audit services is high, the Audit Committee recommended the re-appointment of PwC as external auditors for the financial year 2017 (3rd consecutive year).

After unanimous acceptance by the Board of the Audit Committee's recommendation, the reappointment of PwC as external auditors for the financial year 2017 was also unanimously approved by the Annual General Meeting on May 12, 2017.

Likewise, the Annual General Meeting unanimously approved the following remuneration of PwC during financial year 2017:

- For the statutory audit of the Company's financial statements, up to the amount of €115,000 plus VAT;
- For the statutory audit of consolidated financial statements, up to the amount of €120,000, plus VAT;

During 2017, following relevant approval by the Audit Committee and by the respective Annual General Meetings of the Group subsidiaries, PwC was appointed as external auditor of 45 Group subsidiaries worldwide. PwC also undertook the tax compliance audit of the Company and its subsidiaries in Greece. The total fees of PwC for the above services, under the exchange rates prevailing at the time of their appointment, were estimated to amount to €1,250,000. The total fees finally paid to PwC for the above services in 2017, calculated as above, amounted to €1,247,000 (€1,196,000 in 2016).

Provision of audit related and non- audit services by the external auditors:

In 2017, following prior approval by the Audit Committee, PwC provided to the Group the following additional services:

### Audit related services:

Assurance letter prior to the issuance of the €250 million notes in November 2017 by Titan Global Finance Plc. The fees paid to PwC for providing this service was €95,000.

### Non- audit services:

- a. Assistance to our subsidiary Separation Technologies Canada Ltd with local tax compliance and non-residence certification. The fees paid to PwC for these services amounted to €15,852;
- b. Advisory services to our subsidiary Iapetos Limited. The fees paid to PwC for these services amounted to €17,500; and
- c. Advisory and quality assurance services in the context of Phase I of the Group IT transformation program (uniTe). The fees paid to PwC for these services amounted to €200,000; The Committee is satisfied that PwC's knowledge of the Group as well as its technical expertise from similar implementation initiatives was an important factor in choosing them to provide the above non audit services.
- d. License to our subsidiary Titan America LLC for an online accounting research tool for accounting pronouncements by various Authoritative Bodies. The fees paid to PwC for this service amounted to €976.

In view of the above, the total fees paid in 2017 to PwC for non- audit services amounted to €234,328 (€82,350 in 2016), representing in total 18,79% of PwC's total fees for the statutory audit for the Company and the Group subsidiaries.

The Committee satisfies itself that the above fees paid to PwC for non- audit services are within the limits set by the Audit Committee and did not compromise the independence or integrity of the external auditors.

The independence of the external auditors has also been confirmed by the external auditors in a letter addressed to the Audit Committee.

The key areas of focus of the Committee in 2018 will continue to be on risk management and particularly on monitoring progress in respect of the formalization of the Group's risk management framework and on all material internal controls that could affect the Group's business.

### Remuneration Committee

Chairman: Hiro Athanassiou, independent, non-executive Board member

Members: Alexander Macridis, independent, non-executive Board member

Petros Sabatacakis, independent, non-executive Board member

The Remuneration Committee consists exclusively of independent members of the Board of Directors.

The members of the Committee were appointed by the Board on 17 June 2016.

The main tasks of the Remuneration Committee is to recommend the levels of the annual remuneration of executive directors and of senior Group officers on the basis of their performance and importance of position and to review on a regular basis the remuneration policy followed by the Company based on the market trends with regard to the pay rates and the human resources management. The Committee also recommends the levels of remuneration of non-executive directors on the basis of their time commitment and responsibilities.

Over the course of the year, the Remuneration Committee held one meeting on April 20, 2017. The main subject of the meeting was to make a recommendation regarding the total remuneration (annual salary, bonus, stock grant and retirement fund contributions) during 2017 of the Chief Executive Director and the other executive members of the Board as well as of the senior Group officers including the Group Internal Audit Director.

The Remuneration Committee also recommended the level of the annual remuneration of the Chairman and of the other non-executive directors for the year 2017, on the basis of their performance, the time commitment and the responsibilities of their role.

The above recommendations of the Remuneration Committee were subsequently approved by the Board. The recommendations of the Remuneration Committee on the level of remuneration of the Board members (executive and non-executive directors) for their participation in the Board and the Board committees in 2017 was subsequently submitted for approval to the Annual General Meeting.

The Remuneration Committee's duties and competences and its internal regulation have been posted to the Company's website <http://www.titan-cement.com/en/> at the link: <http://www.titan-cement.com/en/titan-group/corporate-governance/board-of-directors-committees/remuneration-committee/>

### Nomination and Corporate Governance Committee

Chairman: Domna Mirasyesi- Bernitsa, independent, non-executive Board member

Members: Efstratios-Georgios Arapoglou, non-executive Board member

Hiro Athanassiou, independent, non-executive Board member

The Nomination and Corporate Governance Committee consists of three non-executive directors of the Board, two of whom are independent. The

Chairman of the Board, who is a non-executive director, is the third member of the Committee. The present members of the Committee were appointed by the Board on 17 June 2016 to serve for three years.

All members of the Committee have extensive experience in business administration and corporate governance.

The main task of this Committee is:

to lead the process for new Board appointments and making relevant recommendations to the Board;

to ensure that adequate plans are in place for orderly succession both on Board and senior management level;

to evaluate the balance of skills, experience, independence and knowledge on the Board and to ensure its progressive and appropriate refreshment; and

to review and monitor the corporate governance policies applied by the Board.

In 2017 the Committee held one meeting on March 23, with the following agenda:

- a. Performance evaluation of the Board and its Committees in 2016 on the basis of the annual assessment questionnaire and submission of report to the Board;
- b. Review of the contents of the Corporate Governance Statement that was part of the Annual Corporate Governance Report for the year 2016; and
- c. Review of the existing plans for the orderly succession of the Chairman, the Managing Director and the senior officers of the Company.

The Nomination and Corporate Governance Committee's duties and competences and its internal regulation have been posted on the Company's website <http://www.titan-cement.com/en/> at the following address: <http://www.titan-cement.com/en/titan-group/corporate-governance/board-of-directors-committees/nomination-and-corporate-governance-committee/>

### Other committees with Board members' participation

In addition to the above three Committees of the Board of Directors, the Board has established the following Committees which consist of executive directors and relevant senior officers of the Company

#### Executive Committee

Chairman: Dimitri Papalexopoulos, Chief Executive Officer

Members: Michael Colakides, Executive Director, Group Chief Financial Officer

Bill Zarkalis, Executive Director, USA Region Director

Alexandra Papalexopoulou- Benopoulou, Executive Director, Group Strategic Planning Director

Sokratis Baltzis, Egypt and Group Trading Director

Konstantinos Derdemezis, Albania, FYROM, Serbia and Kosovo Director

John Kollas, Group Human Resources Director

Christos Panagopoulos, Turkey and Bulgaria Director

Yanni Paniaras, Greek Region and Group Corporate Affairs Director

Fokion Tasoulas, Group Engineering and Technology Director

The day-to-day management has been delegated by the Board to the Executive Committee.

Within this context, the Executive Committee, chaired by the Group CEO, is the senior management body on all aspects of the Group's strategy and operations. The Executive Committee invites the appropriate functional heads according to the agenda topics.

The Executive Committee's duties and competences and its internal regulation have been posted to the Company's website <http://www.titan-cement.com/en/> at the link: <http://www.titan-cement.com/en/titan-group/corporate-governance/other-committees/executive-committee/>

### Sustainability Committee

CHAIRMAN: Dimitri Papalexopoulos, Chief Executive Officer

Members: Nellos Canellopoulos, Vice Chairman, Executive Director

Takis-Panagiotis Canellopoulos, Executive Director

Efthymios Vidalis, Executive Director

Fokion Tasoulas, Group Engineering & Technology Director

John Kollas, Group Human Resources Director

Convener: Yanni Paniaras, Greek Region and Group Corporate Affairs Director

The purpose of this Committee is to strengthen and support management's long term approach to the

triple bottom line, covering economic, environmental and social sustainability and to provide strategic direction on sustainability and corporate affairs issues to the Executive Committee.

The Sustainability Committee's duties and competences and its internal regulation have been posted to the Company's website <http://www.titan-cement.com/en/> at the link: <http://www.titan-cement.com/en/titan-group/corporate-governance/other-committees/sustainability-committee/>

### Advisory Council

CHAIRMAN: Andreas Canellopoulos, Ex Chairman

MEMBERS: Nellos Canellopoulos, Vice Chairman, Executive Director

Takis-Panagiotis Canellopoulos, Executive Director

Efthymios Vidalis, Executive Director

Michael Sigalas, ex Executive Director, ex Regional Director

The Board has established this new body in order to provide a longer-term shareholder view. The Advisory Council provides advice to the Executive Committee and the managing Director (Group CEO) on major strategic initiatives, senior appointments and issues of special interest to shareholders.

The Advisory Council's duties and competences have been posted to the Company's website <http://www.titan-cement.com/en/> at the link: <http://www.titan-cement.com/en/titan-group/corporate-governance/other-committees/advisory-council/>

### Individual attendance by directors at board, committee and general meetings in 2017

In 2017, the Board held six (6) scheduled meetings on March 22, May 10, May 12, July 27, November 1 and December 14.

Below is a table showing which members attended these meetings of the Board and its Committees, as well as the Annual General Meeting of Shareholders held in 2017:

	Board	Committees	AGM
EFSTRATIOS-GEORGIOS ARAPOGLOU	6/6	1/1	1/1
NELLOS CANELLOPOULOS	6/6	-	1/1
DIMITRI PAPAEXOPOULOS	6/6	-	1/1
MICHAEL COLAKIDES	6/6	-	1/1
DOROS CONSTANTINOU	5/6	6/6	-
HIRO ATHANASIOU	5/6	2/2	1/1
TAKIS-PANAGIOTIS CANELLOPOULOS	6/6	-	1/1
ALEXANDER MACRIDIS	4/6	1/1	-
DOMNA MIRASYESI - BERNITSA	6/6	1/1	1/1
IOANNA PAPADOPOULOU	4/6	3/6	-
ALEXANDRA PAPAEXOPOULOU-BENOPOULOU	6/6	-	1/1
PLOUTARCHOS SAKELLARIS	6/6	6/6	1/1
PETROS SABATACAKIS	5/6	1/1	-
EFTHYMOS VIDALIS	6/6	-	1/1
BILL ZARKALIS	5/6	-	-

### Remuneration of directors for their participation in the Board and its committees in 2017

The Annual General Meeting held on 12 May 2017, following the recommendation of the Board and the Remuneration Committee decided to maintain the same annual remuneration for the members of the Board as in 2016. Only the members of Audit Committee, given their increased tasks and time required in order to discharge their duties, were offered a 20% increase on the remuneration paid to them in 2016.

More specifically, the pre- approved remuneration for 2017 was:

- gross remuneration of €30,000 (€30,000 in 2016) to each director;
- gross remuneration of €80,000 (€65,000 in 2016) to the 3 members of the Audit Committee, i.e. €30,000 gross (€25,000 in 2016) to the Chairman and €25,000 gross (€20,000 in 2016) to each member;
- gross remuneration of €32,500 (€ 32,500 in 2016) to the three members of the Remuneration Committee, i.e. €12,500 gross (€12,500 in 2016) to the Chairman and €10,000 gross (€10,000 in 2016) for each member; and
- gross remuneration of €32,500 (€32,500 in 2016) to the 3 members of the Nomination and Corporate Governance Committee, i.e. €12,500 gross (€12,500 in 2016) to the Chairman and €10,000 gross (€10,000 in 2016) for each member.

The total above pre- approved amount was €595,000 (€580,000 in 2016)

The AGM of 12 May 2017 also pre-approved the Chairman's annual gross remuneration for the year 2017, amounting to €168,000 (€84,000 for the semester June 2016- December 2016) and Mr. Efthymios Vidalis' annual gross remuneration amounting to €135,000 (€ 135,000 in 2016).

Pursuant to article 24 section 2 of Law 2190/1920, all aforementioned payments will be submitted for final approval to the Annual General Meeting for the financial year 2017 which will be held within the first semester of 2018.

### Remuneration of executive directors during 2017

In 2017, the gross sums paid to the 6 executive directors who provided their services on the basis of employment contracts, for fixed and performance related remuneration amounted to the gross amount of €3,670,165 (€3,987,357 in 2016).

In 2017, the additional amount of €1,041,521 (€918,478 in 2016) was paid as pension contribution for the six above executive directors.

The executive directors who were released to serve as non-executive directors in other companies and to retain their relevant earnings, received in 2017 remuneration as follows:

Mrs. Alexandra Papalexopoulou received gross remuneration of €92,000 for serving on the board of Coca-Cola HBC AG;

Mr. Takis-Panagiotis Canellopoulos, received gross remuneration of €10,000 for serving on the board of "Grivalia Properties REIC"; and

Mr. Efthimios Vidalis, received gross remuneration of €86,250 for serving on the board of Alpha Bank.

Mr. Michael Colakides, received gross remuneration of €15,000 for serving on the board of Eurobank Cyprus LTD.

### Remuneration policy for executive directors and senior officers

The level of remuneration of the executive directors and senior officers are decided by the Board following relevant recommendation of the Remuneration Committee.

Such remuneration consists of a fixed part, i.e. the salary, which is determined on the basis of the applicable salaries system and the annual performance assessment, and of a variable part, which is linked with the achievement of individual and corporate goals. The corporate goals are linked with performance in terms of financial ratios (EBITDA and ROACE) at Group level and at Region level, as well as with performance in other areas, such as the safety at work. The individual goals are personal and they are linked with the position that each officer serves.

Annual bonus awards vary depending on the importance of the position of the executive director / senior officer, but in no event may the bonus exceed:

- A. 100% of the fixed annual remuneration (i.e. salary), when the targets set have been fully met; or,
- B. 130% of the fixed annual remuneration (i.e. salary), if the officer has over-performed on the targets set.

The assessment of the performance of the executive directors and senior executives is carried out by the Chief Executive Officer and the assessment of the performance of the Managing Director is carried out by the Board of Directors.

The executive directors do not participate in discussions relating to the determination of their individual remuneration.

The Group Human Resources Department provides on a yearly basis to the Remuneration Committee data from the labor market, so that the remuneration level and/or the plans for variable compensation are adjusted accordingly. The main aim is to attract and keep high-caliber professionals who with their knowledge, skills and integrity will add value to the Company.

Executive directors and senior officers of the Group are granted long-term incentives through stock option schemes which are linked to Group

performance, are approved by the General Meeting of Shareholders, have a three-year maturity period and are subject to specific vesting requirements i.e. achievement of certain targets.

Executive directors and senior officers also benefit from pension-savings plans and other additional voluntary allowances, which, may at any time be recalled or amended at the Company's discretion.

The Company offers to the executive directors who have an employment relationship with the Company, additional rights under pension and benefit plans based on the applicable practices in the relevant markets where the Company is operating, which may at any time be recalled or amended at the Company's discretion.

### Stock option plans for executive directors and senior officers

Aiming to align the long-term personal goals of its senior executives with the interests of the Company and its shareholders, the Company has adopted and implements since 2000 stock option plans. All relevant plans (2000, 2004, 2007, 2010, 2014 and 2017 Plans) have been approved by the General Meeting of Shareholders, they all provide for a three-year maturity period and the beneficiaries of all plans were solely executive directors and senior Group officers. Non-executive directors have never participated in such plans.

In total, to date under the aforesaid Plans 1,318,369 ordinary shares have been acquired by approximately 120 beneficiaries (executive directors and senior Group officers), representing 1.55 % of the Company's paid capital.

It is also worth mentioning that under Plans 2014 and 2017 that are running today, the exercise price is €10 per share while under previous Plans 2004, 2007 and 2010 the exercise price was €4 per share.

Both 2014 and 2017 Plans, as did the previous ones, favor the long-term holding of a significant number of Company shares by the executive directors and the Group officers; in line with the above principle the Plans' beneficiaries are encouraged to maintain a reasonable value (corresponding to a percentage of their Annual Base Salary) in Company shares depending on their hierarchical rank; non-compliance with the above principle, can be considered as an unfavorable factor for the determination of future grants.

Both 2014 and 2017 Plans were designed to prevent high-risk behaviors by the executive directors and the senior officers of the Company, which might impact negatively the Company's share price. For this reason, they have an attractive strike price in relation to the exchange price of the Company's share at the time that they are granted.

A detailed description of the Plans is available on the Company's website [http://www.titan-cement.com/link: http://ir.titan.gr/en/stock-option-plan](http://www.titan-cement.com/link:http://ir.titan.gr/en/stock-option-plan)

### Internal controls and risk management systems in relation to the financial statements

The key elements of the system of internal controls utilized in order to avoid errors in the preparation of the financial statements and to provide reliable financial information are the following:

The assurance mechanism regarding the integrity of the Group's financial statements consists of a combination of the embedded risk management processes, the applied financial control activities, the relevant information technology utilized, and the financial information prepared, communicated and monitored.

Each month the Group's subsidiaries submit financial and non-financial data to the Group's consolidation department and provide explanatory information where necessary.

In consolidating the financial results and statements, the Group utilizes specialized consolidation software and specialized software for reconciling intercompany transactions. These tools come with built-in control mechanisms and they have been parameterized in accordance with the Group needs. Finally, the above tools use best-practices regarding the consolidation process, which the Group has to a large extent adopted.

The Group's management reviews on a monthly basis the consolidated financial statements and the Group's Management Information (MI) – both sets of information being prepared in accordance with IFRS and in a manner that facilitates their understanding.

The monthly monitoring of the financial statements and Group MI and their analysis carried-out by the relevant departments, are key elements of the controlling mechanism regarding the quality and integrity of financial results.

The Group's external auditors review the mid-year financial statements of the Company, the Group and its material subsidiaries and audit the full-year financial statements of the aforementioned. In addition, the Group's external auditors inform the Audit Committee about the outcome of their reviews and audits.

The Audit Committee, during its quarterly, meetings prior to the financial reporting, is informed by the Group CFO and the other competent Group officers about the performance of the Group, monitors the Company and consolidated accounts and the financial reporting process and reports accordingly to the Board. During these meetings, the Audit Committee is also informed on the management of the financial risks and monitors the effectiveness of the risk management system.

The approval of the financial statements (Company and Consolidated) by the Board, is made after relevant recommendation of the Audit Committee.

### Internal Audit

Internal audit is carried out by the Group Internal Audit, which is an independent department with its own written regulation, reporting directly to the Board of Directors' Audit Committee.

Internal audit consists of 17 executives who have the necessary training and experience to duly carry out their work.

Internal Audit's primary role is to evaluate the internal controls that have been put in place for all Group functions in terms of their adequacy and effectiveness. Internal Audit's functions also include:

- monitoring implementation and compliance with the Company's Internal Regulation, Code of Conduct, Articles of Association and applicable laws in all jurisdictions in which the Group operates;
- reporting to the Board of Directors any conflict of interest situations relating to the members of the Board of Directors or the Company's executives towards the Company's interests, as such situations may be identified in the frames of the internal audit;
- monitoring the relationship and transactions of the Company with the related parties, as defined in the International Accounting Standard 24, as well the audit of the Company's dealings with companies with a higher than 10% participation in their capital by members of the Board of Directors or shareholders of the Company with more than 10%.

During year 2017, Internal Audit conducted 39 audits. 23 audits were scheduled, 3 were special and 13 were follow up audits. All audit reports were sent to the Audit Committee.

Three-month progress reports with reference to the most important audit findings were also submitted to the Audit Committee.

During the year 2016, the Audit Committee held regular private meetings with the Group's Internal Audit Director to discuss functional and organizational issues. All information requested was provided and briefings were given about the audit systems currently in place, their effectiveness and the progress of audits. Following a report from the Audit Committee, the Board of Directors approved the audit schedule for 2017 and specified the functions and points on which internal audit must focus.

## Information required by Article 10(1) of European Parliament and Council Directive 2004/25/EC

The information required by Article 10(1) of European Parliament and Council Directive 2004/25/EC is contained, pursuant to Article 4 (7) of Law 3556/2007, in the Explanatory Report, which is part of the Board of Directors' Annual Report and is set out above.

## General Meetings and Shareholder Rights

### The General Meeting's Powers and Modus operandi

According to Article 12 of the Company's Articles of Association, the General Meeting of Shareholders is the Company's supreme body and is entitled to decide on all corporate affairs.

The General Meeting is the sole body competent to decide on:

- a. Amendments of the Articles of Association, with the exception of certain cases where, as provided by the Codified Law 2190/1920, the amendment is decided by the Board.
- b. Increases or reductions in the share capital of the Company, with the rare exception of specific cases where, as provided by the Codified Law 2190/1920 or the Articles of Association or the provisions of other Laws, such decision is taken by the Board.
- c. The distribution of annual profits, save for the case referred to in Article 34(2)(f) of Codified Law 2190/1920.
- d. The election of members and stand-in members of the Board of Directors, apart from the cases cited in Article 25 of the Articles of Association, relating to the election by the Board of new members to replace members who have resigned, passed away or have lost their capacity for any reason, for the remainder of the relevant term in office and provided that are no stand-in members elected by the General Meeting to replace them.
- e. The approval of the annual financial statements of the Company and Board Report.
- f. The issuing of corporate bonds, in parallel with the right of the Board of Directors to issue such bonds in accordance with Article 28 of the Articles of Association.
- g. The election of auditors.
- h. The extension of the Company's term, the merger, split, conversion, revival, or winding up of the Company.
- i. The appointment of liquidators.
- j. The filing of actions against members of the Board for acting ultra vires or for infringing the law or the Articles of Association and
- k. All other issues relating to the Company for which the General Meeting is granted competence by the law or the Articles of Association.

The General Meeting is convened at least once every year within 6 months from the end of each fiscal year (Annual General Meeting). The venue where the General Meeting is convened should lie in the municipality of Athens or in the wider area of Attica or in any other neighboring municipality.

The notice for the General Meeting includes the address of the venue, the date and time of the meeting, the items on the agenda clearly stated, and precise instructions about how shareholders can take part in the meeting and exercise their rights in person or through proxies, including the forms that the Company is utilizing for that purpose.

The notice also includes information about the minority rights and the time period in which such minority rights can be exercised, the record date, the place where the full text of documents and drafts of decisions proposed by the Board of Directors for all items on the agenda are available, a reference to the Company's website where all the above information is available, and the proxy forms which must be used when shareholders vote through proxies.

According to the Greek law, the Notice of a General Meeting is published at the Company's website as well as on the websites of ATHEX and the General Commercial Register (GEMI), at least 20 calendar days before the date of the General Meeting, without counting the date of the publishing of the notice and the date of the General Meeting. However, the Company, in compliance with the UK Corporate Governance Code, ensures that the notice for the Annual General Meeting is published at the Company's website at least 20 working days before the date of the Annual General Meeting. The full text of the notice is also published in electronic news services with a national and European reach, in order to effectively disseminate information to investors and to ensure rapid, non-discriminatory access to such information.

### Right to attend General Meetings

All shareholders are entitled to take part in the General Meetings, provided they hold Company Shares on the Record Date i.e. at the start of the fifth day before the date of the General Meeting.

Shareholder status is proven through online connection with to the files and records of the Hellenic Exchanges S.A. Pursuant to the Greek law, such on line shareholder certification should be provided no later than three days before the date of the General Meeting.

Participation in a General Meeting does not require any blocking of shares or any other formality which could limit the right of shareholders to sell or transfer their shares in the time period between the record date and the date of the General Meeting.

Even in case shareholders or their proxies fail to timely provide the above mentioned on line certification of their shareholder status, they may still participate in the General Meeting, after relevant permission is granted by the General Meeting.

Shareholders may attend the General Meetings either in person or through one or more proxies, shareholders or not. Each shareholder may appoint up to 3 proxies. If a shareholder holds shares in the Company which appear in more than one securities account, this limitation does not prevent him to appoint different proxies for the shares which appear in each securities account.

A representative who acts for more than one shareholder may vote differently on behalf of each shareholder.

Legal entities may participate in a General Meeting by appointing up to three natural persons as their proxy.

Shareholder proxies can be appointed or removed by notifying the Company, at least three days before the date set for the General Meeting.

Proxy forms are available on the Company website. Such forms allow shareholders to authorize their proxies to vote for or against, or to withhold their vote on each item of the agenda. The proxy form makes it clear that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted.

Shareholder proxies are expected to disclose before the start of a General Meeting any information or circumstances that could be deemed conflicting with the rights of the shareholders that have appointed them as their proxies.

A conflict of interest may arise in cases where a proxy:

- a. is a shareholder who controls the Company or is a legal entity or person controlled by that shareholder;
- b. is a member of the Board of Directors or of the management team of the Company or a shareholder who controls the Company, or another legal person or entity controlled by a shareholder who controls the Company;
- c. is an employee or certified public accountant of the Company or a shareholder who controls the Company, or another legal person or entity controlled by a shareholder who controls the Company;
- d. is the spouse or a first degree relative of one of the natural persons referred to above;

The Annual General Meeting should be attended by all directors as well as by the chairmen of the Board

committees, who should be available to answer questions.

### Quorum – Majority

According to the Greek law and the Articles of Association, the minimum quorum required at a General Meeting is at least 1/5 of the paid up share capital.

If this quorum is not achieved at the first meeting, the General Meeting reconvenes within 20 days. In this case, the General Meeting has a quorum irrespective of the percentage of the paid up share capital represented in the General Meeting.

In both above cases, decisions are taken by absolute majority of the votes represented at the General Meeting.

By way of exception to the above minimum quorum, in the case of decisions relating to a change in the Company's nationality; a change in the Company object; an increase in shareholders' obligations; an increase in the Company share capital unless done by capitalizing reserves or explicitly allowed by the law to be decided by virtue of Board resolution ; a reduction in the Company share capital; a change in the profit distribution; the merger, split, conversion, revival, extension of term or winding up of the Company; the granting or renewal of powers to the Board of Directors to increase the share capital; and in other cases specified by the law, the required minimum quorum is 2/3 of the paid up share capital. In all above cases, decisions of the General Meeting are taken by 2/3 majority of the votes represented in the General Meeting.

If this above quorum is not achieved, the General Meeting reconvenes within 20 days, and at this second meeting the minimum required quorum is 1/2 of the paid-up share capital. If this quorum is not achieved again, the General Meeting reconvenes within 20 days and at the third meeting the minimum required quorum is 1/5 of the paid-up share capital.

In the above cases, decisions of the General Meeting are taken by 2/3 majority of the votes represented at the General Meeting.

### Right to vote in General Meetings

Every common Company share comes with a voting right.

### Rights of preference shareholders

On 27 June 1990, the Annual General Meeting of Shareholders decided to increase the Company's share capital by issuing preference shares without voting rights.

Preference Shareholders were afforded the following privileges:

- A. The right to receive, before common shareholders, a "first dividend" (i.e. 6%) from the yearly net profits, and in case no dividend is distributed in one or more years, or in case the distributed dividend is less than the "first dividend", the right to receive preferentially such payment of "first dividend", from the profits generated in subsequent years. Preference Shareholders are also entitled, on the same terms with holders of common shares, to receive any additional dividend paid in any form. (Nowadays, due to the regulatory requirement of distribution of at least 35% of the Company's net profits, the above privilege of distribution of a "first dividend" of 6% of the net profits to the Preference Shareholders is practically redundant)
- B. In case of dissolution and liquidation of the Company, the right to receive preferentially from the product of liquidation of corporate assets the capital contribution paid by them. In case the liquidation product exceeds the total paid up capital, the Preference Shareholders are entitled, on equal terms with the holders of common shares, to proportionately participate in the excessive liquidation product.

It is also worth mentioning that pursuant to the Law, any abolition or limitation of the above privileges of the Preference Shareholders requires the consent of their Separate General Meeting. Such decision of the Separate General Meeting of Preference Shareholders requires increased quorum and is taken by increased majority of 2/3 of the preference shares represented in the Separate General Meeting.

### Priority rights

In any event of share capital increase, where such increase is not made by in kind contributions, all Shareholders have priority rights on the new capital or bond issue, proportionately to their holding in the existing share capital.

In the event of share capital increase through the issuance of shares of one class only, priority rights are granted to Shareholders of the other classes, provided that the Shareholders of such class of which the new shares are part of, have not exercised their priority rights.

Pursuant to the applicable Law, priority rights may be limited or abolished by a decision of the General Meeting of Shareholders, for which an increased quorum and majority is required, based on the par. 3 and 4 of article 29 and par.2 of article 31 of the Codified Law 2190/1920.

### Right to receive copies of the annual financial statements, the Board Report and the Auditor's Report

Ten (10) days prior to the Ordinary General Meeting, each Shareholder may request the annual Financial

Statements and the relevant reports of the Board of Directors and of the Auditor.

### Minority rights

1. Any Shareholder may request the Board, at least five (5) full days prior to a General Meeting, to provide specific information to the General Meeting on the Company's affairs, to the extent that such information is useful for the assessment of the items of General Meeting's agenda. The Board is not obliged to provide the requested information to the General Meeting in the event that the requested information is already available on the Company's website, especially in the form of questions and answers. The Board of Directors may refuse to provide such information with due cause and justification which must be written in the minutes of the General Meeting.
2. At the request of Shareholders representing 1/20 of the paid-up share capital, the Board is obliged to call a special General Meeting within a time period of 45 days from the date of service of the relevant request to the Chairman of the Board. The relevant request should also include the agenda of the requested General Meeting. In the event that the Board does not convene the General Meeting within 20 days from the service of the request, the relevant request can be addressed to the Single-Member Court of First Instance of Athens, which though interim measures may set the time, place and agenda of the General Meeting.
3. At the request of Shareholders representing 1/20 of the paid-up share capital, the Board is obliged to enter additional items on the agenda of a General Meeting that has already been convened, provided that it receives the relevant request at least 15 days prior to the General Meeting. The additional items are published and notified under the responsibility of the Board at least 7 days before the General Meeting. The updated agenda along with the reasoning or draft decision submitted by the shareholders must be published in the same manner as the initial agenda and must be available on the website of the Company 13 days prior to the date of the General Meeting.
4. At the request of Shareholders representing 1/20 of the paid-up share capital, if a request to that effect is received by the Board of Directors at least 7 days before the date of the General Meeting, the Board of Directors is obliged to provide to Shareholders drafts of decisions on the items of the initial or the revised agenda, by uploading the same on the Company's

- website, at least 6 days before the date of the General Meeting.
5. At the request of Shareholders representing 1/20 of the paid up share capital, the Chairman of the General Meeting is obliged to postpone, one time only, the taking of decisions by any General Meeting (AGM or other) on all or certain items of its agenda, and set a new date for the General Meeting as requested by Shareholders, within 30 days from the date of the postponed General Meeting.
  6. At the request of Shareholders representing 1/20 of the paid up share capital, the Board shall be obliged to announce to the Annual General Meeting the amounts that have been paid to each member of the Board or to the Company directors as well as any other provisions made to them due to any reason or on the basis of any contract between them and the Company over the last two years. The Board of Directors may refuse to provide such information with due cause and justification which shall be written in the minutes of the General Meeting.
  7. At the request of Shareholders representing 1/20 of the paid up share capital, decisions on any item on the agenda of the General Meeting are taken by roll- call vote.
  8. At the request of Shareholders representing 1/20 of the paid-up share capital, the Single-Member Court of First Instance of Athens may order a special audit of the Company, where there is reason to believe that unlawful acts, or violations of the Articles of Association of the Company or violations of decisions of the General Meeting of shareholders have occurred. In any event, the request for a special audit must be submitted within three (3) years from the approval of the financial statements of the fiscal year in which the contested transactions were effected.
  9. At the request of shareholders representing 1/5 of the paid-up share capital at least 5 full days prior to the General Meeting, the Board is obliged to provide to the General Meeting information on the course of corporate affairs and the state of the Company's assets. The Board of Directors may refuse to provide such information with due cause and justification which shall be written in the minutes of the General Meeting. Any dispute regarding the validness of the reasons for refusal to provide information is submitted and resolved by the Single-Member Court of First Instance of Athens.
  10. At the request of Shareholders representing 1/5 of the paid-up share capital, the Single-Member Court of First Instance of Athens, may order an audit of the Company, in case from the overall course of the Company's

affairs it may be concluded that the Company is not being administered in accordance with the principles of sound and prudent management.

### Dividend right

According to the Articles of Association, the minimum mandatory dividend which must be distributed each year by the Company is equal to the minimum mandatory dividend specified in Article 45 of Greek Company Law 2190/1920, which according to Article 3 of Development Law 148/1967 is at least 35% of the Company's net profits, after all necessary withholdings to establish the statutory reserve.

Dividend is paid within two months from the date of the Annual General Meeting which approves the Company's annual and consolidated financial statements.

The date and manner of payment of dividend is announced in the Athens Exchange and Company websites as well as in the press.

According to the Greek law, dividends which remain unclaimed for a period of five years from the date on which they became due, pass to the Greek State.

### Right to receive the product of liquidation of the Company's assets

Upon completion of the liquidation the Company's assets, the liquidators return to the Shareholders their capital contribution in accordance with the Articles of Association. The capital contributions of the Preference Shareholders are returned preferentially. Any remaining liquidation product is distributed to the Shareholders in proportion to their participation in the paid-up share capital of the Company.

### Shareholders' liability

Shareholders' liability is limited up to the nominal value of the shares held by them.

### Exclusive jurisdiction of the Courts of Athens – Applicable law

Each Shareholder, in dealing with the Company, regardless of his/her place of domicile, is deemed to have his/her domicile at the seat of the Company and is subject to the laws of Greece. Any action against the Company and any dispute between the Company and the Shareholders or any third party is submitted to the exclusive jurisdiction of the competent Courts of Athens.

### Shareholder Information and Services

Effective dialogue with Shareholders is given high priority and Titan devotes considerable time and resources to shareholder engagement. The Investor Relations team, together with the CEO, the CFO and

other senior executives, regularly meet with institutional investors and participate in Investor Roadshows and Industry Conferences. Moreover, the announcements of the annual and the interim results are accompanied by webcasts and conference calls for analysts and investors.

- **Investor Relations**

The Investor Relations Department is responsible for monitoring Company relations with its Shareholders and investors, and for communicating with the investor community on an equal footing, in Greece and abroad in a transparent and timely manner concerning the Company's performance. The aim is to generate long-term relationship with the investment community and retain the high level of trust that investors have in the Group.

Investor Relations Director: Mrs. Afroditi Sylla, 22a Halkidos St., GR-11143, Athens Tel: 0030 210-2591163, Fax: 0030 210-2591106, e-mail: ir@titan.gr.

- **Shareholder Services**

Shareholder Services are responsible for providing timely information to shareholders and for facilitating them to participate in the General Meetings and to exercising their rights as Shareholders. The Department is also responding to correspondence from shareholders on a wide range of issues.

Shareholder Services Manager: Ms. Nitsa Kalesi, 22a Halkidos St., GR 11143, Athens, Tel: 0030 210-2591257, Fax: 0030 210-2591238, e-mail: kalesin@titan.gr

- **Corporate Announcements**

As a listed company, the Company is obliged to make public disclosures and announcements in compliance with the EU Market Abuse Regulation 596/2014, the Greek Laws 4443/2016 and 3556/200 and the decisions of the Hellenic Capital Market Commission. The public disclosure of the above information is made in a manner that ensures fast and non-discriminatory access to such information.

All relevant disclosures/announcements are made available on the website of the Athens Exchange and of the Company and are notified to the Hellenic Capital Market Commission.

The Company's website address is: [www.titan-cement.com](http://www.titan-cement.com)

Reuters code: TTNr.AT, TTNm.AT

Bloomberg code: TITK GA, TITP GA.

Corporate Announcements: Tel: 0030 210-2591257, Fax: 0030 210-2591238, e-mail: kalesin@titan.gr