

Thrace Plastics Co SA

Remuneration Report
1/1/2019-31/12/2019

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1. Introduction

This annual Remuneration Report has been prepared in accordance with the provisions of Law 4548/2018, Article 112, in line with the Commission Guidelines, draft as of March 1, 2019 (hereinafter "the Guidelines") regarding the standardised 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. It provides an overview of the remuneration model of THRACE PLASTICS HOLDINGS SA (hereinafter "the Company"), as it reflects the total remuneration of the members of the Board of Directors (hereinafter "BoD"), explaining how the Company's Remuneration Policy (hereinafter "the Policy") was applied in financial year 2019.

The Policy is available on the Company's website (www.thracegroup.com).

The consolidated turnover for financial year 2019 amounted to **327.8 million** euros compared to **322.7 million euros in 2018 (+ 1.6%)**.

The consolidated Gross Profit amounted to € 63.5 million compared to € 63.2 million in 2018. The reduction in Gross Profit margin was marginal, settling at 19.4% compared to 19.6% in 2018. The reduction in the gross profit margin was mainly due to the drop in the gross profit margin of the Group's subsidiary in Scotland, due to the internal restructuring of factories in order to prepare for the installation of the new needlepunch line, and also due to the increased competition in the UK market. The preparation for the relocation of the new line in Scotland has also resulted in a reduction in the relative production of the subsidiary in the United States.

The consolidated **EBITDA for the fiscal year 2019 increased by 4.5% (€ 28.7 million compared to € 27.5 million in 2018)**. In addition, within the year 2019 there were expenses and income items that do not relate to the ordinary business activity of the Group and which affected accordingly the EBITDA level. In particular, **the "adjusted" EBITDA for the year 2019 amounted to € 30.6 million versus the corresponding "adjusted" EBITDA of year 2018 which amounted to € 29 million, posting an increase of 5.6%.**

The non-recurring expenses and income for financial year 2019 are analyzed as follows:

Non-recurring expenses of financial year 2019

(amounts in EUR thousand)

€1.679 Impairments and provisions for indemnities at Thrace Linq *

€273 Internal reorganization in Thrace Ipoma – final termination of the (labor intensive) production process of woven mega sacks (FBIC) in Bulgaria

€549 Provisions for staff indemnities in the context of the internal restructuring of Don & Low Ltd**

Non-Recurring Income of financial year 2019

€640 Profit from the sale of fixed assets at Don & Low Ltd in the context of its internal reorganization**

* The Group decided to discontinue the business activity of the above-mentioned company within the year 2020 and to cover the market of Geosynthetic Fabrics in the United States through subsidiaries in Europe and its joint venture in the US Lumite Inc. For this reason, the company proceeded with the appropriate impairments and provisions.

** Don & Low LTD reduced its presence in Woven Technical Fabrics while it increased its production capacity in the Non-Woven Technical Fabrics. In this context, there were profits emerging from the sale of fixed assets (looms) as well as expenses relating to staff indemnities.

Regarding the Annual Short-Term Incentive Scheme Program of the Executive BoD Members, the only performance criterion that was predetermined for all Executive BoD Members was the achievement of the Adjusted Consolidated Group EBITDA, taking into account the participation of Joint Ventures, (**Adjusted EBITDA* Proportion Cons.**).

Adjusted EBITDA* Proportion Cons., for 2019, amounted to 34 million euros, while the Budgeted Adjusted EBITDA* Proportion Cons., for 2019 was 42 million euros. (81% achievement).

2. Total remuneration of BoD members

The following tables 1.a and 1.b were compiled to provide a clear and understandable presentation of total remuneration granted or paid to the BoD members of the Company as well as of any remuneration from any company belonging to Thrace Plastic Group (hereinafter "the Group"). Table 1.a shows the total remuneration of the BoD members for financial year 2019 from all the companies of the Group, while table 1.b shows the total remuneration of the other companies (except the parent company) of the Group. Remuneration is presented in gross prices.

Apart from the following, no further remuneration or compensation was granted or paid in any way within financial year 2019 to the BoD members, under any form.

Table 1.a - Remuneration of BoD members for financial year 2019, from all the companies of the Group

Name of BoD Member, Position	1 Fixed Remuneration				2 Variable Remuneration		3 Extraordinary items	4 Pension scheme	5 Total remuneration	6 Proportion of fixed and variable remuneration
	Base salary	Fees from participation in BoD	Service Contract*	Benefits in kind	One - year variable	Multi - year variable				
HALIORIS KONSTANTINOS (1), (7) Chairman, CEO	543,486 €	540,357 €			180,133 €				1,263,976 €	86% / 14%
BRAIMIS GEORGIOS Executive Member, COO	313,966 €				111,933 €				425,899 €	74% / 26%
MALAMOS DIMITRIOS Executive Member, CFO	286,414 €				101,406 €				387,820 €	74% / 26%
KOLYVAS THEODOSIOS (2) Vice Chairman, Executive Member										
KOMNINOS CHRISTOS-ALEXIS (3), (4) Non – Executive Vice - Chairman			12,000 €						12,000 €	100% / 0%
APOSTOLAKOS IOANNIS Independent Non – Executive Member		17,004 €							17,004 €	100% / 0%
GIANNIRIS KONSTANTINOS Independent Non – Executive Member		17,004 €							17,004 €	100% / 0%
FRONISTAS PETROS Independent Non – Executive Member		25,008 €							25,008 €	100% / 0%
KITSOS THEODOROS Independent Non – Executive Member		18,000 €							18,000 €	100% / 0%
GLYKAS NIKITAS Independent Non – Executive Member		12,000 €							12,000 €	100% / 0%
SIATIS CHRISTOS (5) Non – Executive Member		60,000 €	39,960 €						99,960 €	100% / 0%
ZAIROPOULOS VASSILIOS (6), (7) Non – Executive Member		45,455 €	309,840 €					3,557€	358,851 €	100% / 0%

* The fees mentioned in this Column refer to Service Contract with a company.

(1) Remuneration refers to Base Salary: amount of € 525 486 is from the parent Company, amount of € 18 000 is from the subsidiary Trierina Trading LTD.

Fees from participation in BoD: amount of € 337 008 is from the parent Company, amount of GBP 132 600 is from the subsidiary Don & Low LTD and amount of GBP 45 900 is from the subsidiary Synthetic Holdings LTD.

Variable remuneration: amount of € 180 133 € is from the parent Company.

(2) End of term as BoD Vice Chairman, on March 19, 2019.

(3) Start of term as BoD Vice Chairman on March 20, 2019.

(4) Remuneration refers to Service Contract: amount of € 12 000 is from the subsidiary Trierina Trading LTD.

(5) Remuneration refers to Fees from participation in BoD: amount of € 60 000 is from the subsidiary Trierina Trading LTD.

Service Contract: amount of € 39 960 is from the parent Company.

(6) Remuneration refers to Fees from participation in BoD: amount of GBP 39 900 is from the subsidiary Don & Low LTD.

Service Contract: amount of € 132 480 is from the parent Company, amount of € 95 760 is from the subsidiary Thrace Nonwovens & Geosynthetics A.B.E.E., amount of € 61 560 is from the subsidiary Thrace Plastics Pack S.A., amount of € 20 040 is from the subsidiary Thrace Polyfilms A.B.E.E. Pension expense GBP 3 122 is from the subsidiary Don & Low LTD.

(7) The conversion of remuneration in GBP to EUR was made at the rate of 1 € = 0.8778 GBP.

Table 1.b - Remuneration of BoD members for financial year 2019, from all the companies of the Group (except the parent company)
(Remuneration is included in Table 1.a)

Name of BoD Member, Position	1 Fixed Remuneration				2 Variable Remuneration		3 Extraordinary items	4 Pension scheme	5 Total remuneration	6 Proportion of fixed and variable remuneration
	Base salary	Fees from participation in BoD	Service Contract*	Benefits in kind	One - year variable	Multi - year variable				
HALIORIS KONSTANTINOS (1), (6) Chairman, CEO	18,000 €	203,349 €							221,349 €	100% / 0%
KOMNINOS CHRISTOS-ALEXIS (2), (3) Non – executive Vice - Chairman			12,000 €						12,000 €	100% / 0%
SIATIS CHRISTOS (4) Non – Executive member		60,000 €							60,000 €	100% / 0%
ZAIROPOULOS VASSILIOS (5), (6) Non – Executive member		45,455 €	177,360 €					3,557€	226,371 €	100% / 0%

* The fees mentioned in this Column refer to Service Contract with a company.

(1) Remuneration refers to Base Salary: amount of € 18 000 is from the subsidiary Trierina Trading LTD

Fees from participation in BoD: amount of GBP 132 600 is from the subsidiary Don & Low LTD and amount of GBP 45 900 is from the subsidiary Synthetic Holdings LTD.

(2) Start of term as BoD Vice Chairman on March 20, 2019

(3) Remuneration refers to Service Contract: amount of € 12 000 is from the subsidiary Trierina Trading LTD.

(4) Remuneration refers to Fees from participation in BoD: amount of € 60 000 is from the subsidiary Trierina Trading LTD.

(5) Remuneration refers to Fees from participation in BoD: GBP 39 900 is from the subsidiary Don & Low LTD,

Service Contract: amount of € 95 760 is from the subsidiary Thrace Nonwovens & Geosynthetics A.B.E.E., amount of € 61 560 is from the subsidiary Thrace Plastics Pack S.A., amount of € 20 040 is from the subsidiary Thrace Polyfilms A.B.E.E.

Pension expense GBP 3 122 is from the subsidiary Don & Low LTD

(6) The conversion of remuneration in GBP to EUR was made at the rate of 1 € = 0.8778 GBP.

3. Remuneration in shares or / and options

According to the approved Company's Policy, the Company does not grant to the BoD any remuneration in shares or share options.

4. Use of the right to reclaim

According to the approved Policy, no reclaim right was exercised during financial year 2019.

5. Compliance with Remuneration Policy and how performance criteria are applied

5.1. Remuneration Policy

According to the approved Policy:

- The Policy applied to the BoD members.
- The Committee for the Remuneration & Nomination of Members of the BoD (hereinafter the "Committee") and the BoD, if requested, received periodic updates on the remuneration structure and approved principles and practices within the Company.
- The remuneration paid to BoD members ensures that the Company is remunerating its Directors on the basis of the Company's short and long-term business plan, so as to ensure profitable organic growth through capacity increase, geographic expansion and value capture, as per the Company's strategic objectives.
- The Company did not offer long-term variable remuneration for financial year 2019.
- The level of fixed pay – salary and board fees – for the BoD was established on the basis of paying fair and reasonable remuneration for the most appropriate person for the role, taking into account: a) the level of responsibility, b) the knowledge and experience required to deliver upon expectations, ensuring that the Company fixed pays were fairly and competitively, always supporting its longer-term interests and sustainability, with the adoption of the following principles:
 - 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 to focus on sustained long-term value creation.
 - By linking remuneration to short term objectives.

5.2 Remuneration Policy for Non-Executive BoD Members

According to the approved Policy:

- The Non-Executive BoD Members of the Company received exclusively fixed remuneration during financial year 2019.
- Fixed remuneration paid to the Non-Executive BoD Members consisted of annual base remuneration and / or remuneration from Service Contracts.

- Fixed remuneration paid to the Non-Executive BoD Members was wide and met the following conditions:
 - was determined based on predetermined criteria,
 - did not depend on performance,
 - was of a permanent nature,
 - was irrevocable,
 - elements such as the academic background, prior experience, know-how, their diligence and effectiveness, development of initiatives for the benefit of the Company's interest and the wage-working conditions of the other employees of the Company were considered.
 - is appropriately configured, in order to attract and retain Non-Executive Members of the BoD who have the appropriate knowledge, skills, experience, attitudes necessary for the Company,
 - was paid in accordance with the applicable tax legislation and was subject to the deductions provided for by the applicable tax and insurance legislation.
- No benefits in kind were granted to Non-Executive BoD Members (indicatively use of corporate vehicle/mobile phone/laptop/corporate credit or debit card/fuel card, private health or life insurance, participation in pension schemes), with the exception referred in Table 1.a (footnote 6) and 1.b (footnote 5) to Mr. Zairopoulos.
- Non-Executive BoD Members of the Company did not receive variable remuneration since they neither handled nor were responsible for the day-to-day management of the Company.

5.3 Remuneration Policy for Executive BoD Members

According to the approved Policy regarding the Executive BoD Members:

- The remuneration granted to the Executive BoD members consisted of fixed and variable remuneration.
- Fixed remuneration of the Executive Chairman and CEO consisted of annual base salary and annual fees from participation in BoD.
- Fixed remuneration of other Executive BoD Members consisted of annual base salary solely.
- All Executive BoD Members received variable remuneration based on the performance criteria set in the beginning of financial year 2019.
- The only performance criterion that was predetermined for all Executive BoD Members was the achievement of the Adjusted Consolidated Group EBITDA, taking into account the participation of Joint Ventures, (Adjusted EBITDA* Proportion Cons.)
- Variable remuneration did not exceed the 45% of the annual fixed remuneration limit set by the approved Policy.
- The corresponding amounts were paid to the Executive BoD Members after the evaluation of the estimated performance achievement on December 12, 2019 against the set target, and which was confirmed by the BoD meeting on December 13, 2019.

In the context of the annual reassessment of the remuneration of the Executive Members of the Board, and specifically for the roles of CEO, COO and CFO, the Company took into account the comparative remuneration analysis held in November 2019 by Korn Ferry Group, and found themselves at market levels. The analysis was conducted by comparing the remuneration of respective executives of companies from the global base of Korn Ferry, taking into account Greek and European industrial, chemical and oil companies.

The remuneration of the Executive BoD Members was paid in accordance with the applicable tax legislation and was subject to the deductions provided for by the applicable tax and insurance legislation.

The table below summarizes how the variable remuneration complies with the Policy provisions.

Table 2 - Performance of BoD members in financial year 2019

Name of BoD member, Position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on performance targets		4 a) Measured performance b) Actual award outcome
			a) Minimum target/ threshold performance and b) Corresponding award	a) Maximum target/ threshold performance and b) Corresponding award	
HALIORIS KONSTANTINOS Chairman, CEO	Adjusted EBITDA* Proportion Cons	100%	α) 80%	α) 150%	α) 81%
			β) 80%*45%=36%	β) 150%*45%=67,5%	β) 81%*45%=36%
BRAIMIS GEORGIOS Executive member, COO	Adjusted EBITDA* Proportion Cons	100%	α) 80%	α) 150%	α) 81%
			β) 80%*45%=36%	β) 150%*45%=67,5%	β) 81%*45%=36%
MALAMOS DIMITRIOS Executive member, CFO	Adjusted EBITDA* Proportion Cons	100%	α) 80%	α) 150%	α) 81%
			β) 80%*45%=36%	β) 150%*45%=67,5%	β) 81%*45%=36%

(1) Adjusted EBITDA* Proportion Cons: Adjusted Consolidates Group EBITDA, taking into account the participation of Joint Ventures

5.3.1 Service Contracts with BoD members

The Company's Executive BoD Members, did not receive, in addition to the legal, any other compensation or special severance payments from the Company due to the termination of the Contract by the Company.

5.3.2 Policy on external appointments

Following the approval of the Ordinary General Meeting of June 18, 2019, some of the Executive BoD Members accepted or retained positions of Non-Executive BoD Members in other companies of the Group, maintaining the remuneration paid for those positions.

For the above positions, the provisions of the legislation, the Corporate Governance Code applied by the Company, the policies of institutional investors-shareholders regarding the time commitment of the members, the cases of avoiding conflicts of interest and the number of Non-Executive positions of each member were taken into account.

The above approval was considered necessary for the Company, given the policy of expansion of its operations outside Greece beyond the domestic market, followed by the Management. The special knowledge, know-how, experience as well as the scientific training of the existing Board members, are foreseen to strengthen the dynamic of the subsidiaries or related companies of the Group, as well as of the parent Company.

6 Derogations and deviations from the Remuneration Policy

There were no derogations or deviations from the Policy during financial year 2019.

7 Comparative information on the change of remuneration and company performance

It is noted that information on the annual change of remuneration of the Board members, the performance of the Company, and the average remuneration on a full-time equivalent basis of employees of the Company other than the Board members, over at least the five most recent financial years, are not listed, as they may not be capable elements that facilitate the comparative evaluation of the evolution of the performance and the remuneration of the Board Members, as the Company's Policy was first approved by the Annual Ordinary General Meeting of Shareholders in June 2019.

Therefore, the data compared to previous financial years will be included in future Annual Reports, taking as a base year the remuneration of financial year 2019.