

**REPORT OF THE INDEPENDENT NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS
OF THE SOCIETE ANONYME UNDER THE NAME “THRACE PLASTICS HOLDING AND
COMMERCIAL SOCIETE ANONYME” TOWARDS THE ANNUAL ORDINARY GENERAL MEETING
OF SHAREHOLDERS OF MAY 24, 2023**

Introduction

This Report was prepared jointly by the Independent Non-Executive Members of the Board of Directors of the Societe Anonyme under the name “THRACE PLASTICS HOLDING AND COMMERCIAL SOCIETE ANONYME” and with the distinctive title “THRACE PLASTICS CO SA” (hereinafter for reasons of brevity called as "Company"), and is submitted to the Annual Ordinary General Meeting of Shareholders of May 24, 2023, in accordance with the provisions of article 9, paragraph 5 of Law 4706/2020 and the relevant guidelines of the Hellenic Capital Market Commission (document under protocol no. 428/21.02.2022).

Review

During the year 2022, the Board of Directors (BoD or Board) of the company THRACE PLASTICS CO S.A. consisted of 11 Members, of which 2 were Executive Members and 9 were Non-Executive Members. Of the above members, 5 were Independent Members including the Vice Chairman of the Board.

The composition of the Board of Directors was maintained unchanged in comparison with the year 2021 with the view of a positive contribution towards the Company from the Board itself given that the latter has functioned on a unified basis and with harmony. It has been also viewed that as a whole the Body of the Board of Directors has diversity and is made up of competent executives. These individuals through their different skills and experiences can optimally contribute to the Board’s effective operation.

During the year 2022, the BoD held 27 regular meetings.

The Board of Directors in order to ensure its most orderly and proper operation, and the effective and substantial compliance with the regulations of articles 11 and 12 of Law 4706/2020, as well as the adoption of the best corporate governance practices, has established and maintains the following four (4) Committees, namely:

- (a) the Audit Committee,
- (b) the Nomination and Remuneration Committee (NRC),
- (c) Strategy & Investment Committee,
- (d) Sustainability Committee

It is clarified that the maintenance of the first two (2) Committees is mandatory in accordance with the special provisions of articles 11 and 12 of Law 4706/2020. The Group has decided that the Chairman in both committees is selected from the Independent non-Executive Members of the Group.

Evaluation

In the first quarter of 2023, the Board of Directors of the Company -in accordance with the provisions of Corporate Governance- organized and performed its own evaluation process for the year 2022 by applying the methodology of a recognized advisor and in accordance with the best international practices which took place in 2021. More specifically, the above process covered the following:

- ❖ Evaluation of the Board of Directors by its members based on the following criteria:
 - Strategy
 - Operation of the Board
 - Risks
 - Leadership Culture
 - Supervision
 - Performance and Evaluation
 - Reporting
 - Cooperation with interested parties
 - Talents
- ❖ Evaluation of the 2 executive members by the non-executive ones

Conclusions

The above size of the Board of Directors continues to be required given the diverse activity of the Group whereas the Board is considered to be effective. During the current year, the Board of Directors functioned with harmony ensuring the smooth, efficient and successful management of the corporate affairs, the implementation of investments as well as the promotion of Corporate Governance practices.

The Board of Directors has been functioning with diligence and based on the following concept of co-operation among the members:

At the level of Strategic Planning

1. In the beginning of the year, an in-depth examination is carried out when it comes to the formulation of the 5-year strategy of the Group and of all subsidiaries following a relevant recommendation by the CEO of the Company. In the next stage, a respective discussion about the recommendation takes place for 2 days. During the consultation, the strategic direction of the Group, the investment policy and implementation, the financial position, and the external environment are evaluated, while the risks and opportunities are also being analyzed.
2. During the year, in some of the regular meetings of the Board of Directors, a review of the progress of the implementation of strategic plan is performed and corrective actions are agreed whenever there is internal need or whenever the external environment requires

such an action.

At the level of monitoring the Group's short-term performance per year:

1. The annual budget of the Group on a per company basis is prepared and then presented to the Board of Directors for approval. The above take place along the cooperation of the Executive Members of the Board of Directors with the top executives of each subsidiary. At the beginning of 2023, the Board of Directors decided that the finalization of the Group's budget for the next calendar year should take place prior to the end of previous year along with complete harmonization of the method for the preparation and presentation per company case.
2. During the year, at each regular meeting of the Boards, the financial results are being reviewed in comparison with the approved budget so that any required corrective actions can take place in time.

Diligently at each meeting, the Daily Agenda (DA) of the regular meetings of the Board of Directors is drawn up after cooperation between the Chairman with the Independent Vice-Chairman, to ensure that any important, urgent and institutional issues are sufficiently covered. The Daily Agenda as well as the supporting material, including the financial analysis and financial data, especially in the cases concerning new investments, are sent several days before the meeting of the Board of Directors so that there is sufficient preparation time and scope for clarifying questions before the meeting. At the level of Compliance and Control, the competent committee sends its recommendations and studies in a timely manner and presents them to the Board of Directors for approval.

In the regular meetings of the Board of Directors, the Executive Chairman of the Board invites all members to freely submit their views. Right after, an open and constructive dialogue follows in order to optimize the above views and recommendations. From the evaluation performed by the body of the Board it turns out that all the members believe that the meetings of the Board of Directors are carried out on the basis of honest communication and participation, and that the non-Executive members express their views on the actions / recommendations of the executive members towards the Board contributing to the timely resolution of issues and to an efficient decision-making process.

At the same time, through the predetermined regular meetings, there is sufficient monitoring of the performance of the Executive Members during the year. The year's budget is monitored on a monthly basis and any deviations are evaluated in order to recognize both risks and opportunities in time. At the end of each financial year, the Nomination and Remuneration Committee (NRC) on behalf of the Board of Directors examines thoroughly the performance of the Executive Members in relation to the variable remuneration as provided by the respective Remuneration Policy and then proceeds with proposals to the Board of Directors requesting from the latter to approve the planned payments. Following a proposal to the Board of Directors, from the year 2023 the variable remuneration system will undergo a re-evaluation, harmonization and optimization phase.

During the evaluation of the two (2) executive members of the Board of Directors, there were improvements compared to the evaluation of year 2021, with 100% of the members of the

body considering that the Chief Entrepreneur has excellent knowledge of the market and is suitable for identifying the new opportunities and also for formulating the strategic direction and innovation plan of the Group. Accordingly, 100% of the members of the body considers that the CEO is suitable for the preparation and execution of the Group's strategic plan, the Management of the executives and the leadership of the Group.

In the beginning of January of the current year, there was a meeting among the non-Executive members, chaired by the independent Vice-Chairman of the Board of Directors for the year 2022. During the meeting, the following issues were discussed: the further improvement of the operation of the Board of Directors and also of the performance of Executive members, as well as improvements in the functioning of the Board including ways by which the members of the committees can perform their duties with the aim to improve the overall effectiveness of the Board. The summary of the meeting and its proposals were communicated by the Independent Vice-Chairman and two additional members to the Executive Chairman.

Proposals

Based on the above, the issue that needs constant improvement relates to the initial and further training of the Board members in areas related to the Plastics sector, including the availability of sources for the provision of systematic information on current developments. This training is in the implementation phase, having started already from the beginning of 2023. At the same time, it is considered appropriate to further utilize the skills of the members of the Board of Directors in order to contribute the most to the broader support of the functions of the Group.

April 2023

The Independent Non-Executive Members of the Board of Directors

Theodoros Kitsos	Georgios Samothrakis	Myrto Papathanou	Spyridoula Maltezos	Nikitas Glykas