

Thrace Plastics Co SA

Remuneration Report 1/1/2020-31/12/2020

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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).

Despite the unfavorable economic environment formed as a result of the rapid spread and widespread spread of coronavirus COVID-19 both in Greece and in the other countries in which the Group operates, nevertheless its business and economic activity and operation was not affected during the year 2020.

Regarding the operation of production, all production units within the Group continued to operate smoothly for the entire year 2020, without facing any operational issues from the spread of the pandemic, regarding the health and safety of the Group's employees, as a result of the particularly strict protection measures taken by the Group since the beginning of the pandemic.

From a financial point of view, the Group managed not only to deter any decrease in its revenues, but instead achieved to expand sales and profitability, as the reduced demand in some areas of activity was more than offset by the significant increase in sales in other areas. More specifically, it was observed:

- ✓ Increased demand for products related to personal protection and health and in particular for technical fabrics, used in personal protection applications.
- ✓ Generation of sales in products and activities related to personal protection, including the installation and operation of surgical mask production lines in Greece, Scotland and Ireland.
- ✓ Increased demand for products aimed at the food packaging sector.
- ✓ Reduced demand for packaging products related to tourism and catering, as a result of the limited activity in this sector, especially in Greece.
- ✓ Maintaining and further strengthening the Group's customer base.

The reduction of Net Debt by 45,318 thousand euros was also significant (on 31.12.2020 it amounted to 38,210 thousand euros, compared to 83,528 thousand euros on 31.12.2019, ie a percentage reduction of 54.3%), with the Net Debt / Equity to be 0.22 in relation to 0.57 on 31.12.2019 and the Net Debt / EBITDA index to be 0.55 on 31.12.2020, while the price of the index was 2.91 on 31.12.2019.

The total Equity on 31.12.2020 amounted to 174,583 thousand euros compared to 146,349 thousand euros on 31.12.2019

More specifically, the following table presents the main financial figures of the Group for 2020 in relation to the corresponding year of 2019. It is also noted that the discontinued operations concern the termination of production activities of the US subsidiary Thrace Linq Inc.

CONSOLIDATED FIGURES OF THE GROUP (in € thous.)	31/12/2020	31/12/2019	Change (%)
Turnover (Continuing Operations)	339,722	298,340	+13.9%
Gross Profit (Continuing Operations)	105,959	61,549	+72.2%
EBIT* (Continuing Operations)	53,857	15,587	+245.5%
EBITDA* (Continuing Operations)	72,484	30,801	+135.3%
Adjusted EBITDA*	76,559	30,983	+147.1%
EBT (Continuing Operations)	52,077	11,839	+339.9%
Earnings after Taxes (Continuing Operations)	41,272	7,514	+449.3
Earnings/(Losses) after Taxes (Discontinued Operations)	(3,316)	(3,497)	
EAT (Total Operations)	37,956	4,017	+844.9%
Earnings after Taxes and Minority Interests (Continuing Operations)	40,663	7,213	+463.7%
Earnings/(Losses) after Taxes and Minority Interests (Discontinued Operations)	(3,316)	(3,497)	
EATAM (Total Operations)	37,347	3,716	+905.0%
Basic Earnings per Share (Continuing Operations)	0.9314	0.1649	+464.8%
Basic Earnings / (Losses) per Share (Discontinued Operations)	(0.0760)	(0.0800)	
Basic Earnings per Share (Total Operations)	0.8555	0.0850	+906.5

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 and 2020 (amount in €), from all the companies of the Group

Name of BoD Member, Position	Fin. Year	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), (8), (10) Chairman & Chief Entrepreneur	2020	520.030	537.637			337.380				1.395.047	76% / 24%
	2019	543.486	540.357			180.133				1.263.976	86% / 14%
MALAMOS DIMITRIOS (9) CEO	2020	313.051				208.656				521.707	60% / 40%
	2019	286.414				101.406				387.820	74% / 26%
BRAIMIS GEORGIOS (7) Executive Member, COO	2020	64.442				5.903				70.345	92% / 8%
	2019	313.966				111.933				425.899	74% / 26%
KOLYBAS THEODOSIOS (2) Vice Chairman, Executive Member	2020										
	2019										
KOMNHNOS CHRISTOS- ALEXIOS (3), (4) Non – Executive Vice - Chairman	2020			12.000						12.000	100% / 0%
	2019			12.000						12.000	100% / 0%
APOSTOLAKOS IOANNIS Independent Non – Executive Member	2020		17.004							17.004	100% / 0%
	2019		17.004							17.004	100% / 0%
GIANIRIS KONSTANTINOS Independent Non – Executive Member	2020		17.004							17.004	100% / 0%
	2019		17.004							17.004	100% / 0%
FRONISTAS PETROS Independent Non – Executive Member	2020		25.008							25.008	100% / 0%
	2019		25.008							25.008	100% / 0%
KITSOS THEODOROS Independent Non – Executive Member	2020		18.000							18.000	100% / 0%
	2019		18.000							18.000	100% / 0%
GLYKAS NIKITAS Independent Non – Executive Member	2020		12.000							12.000	100% / 0%
	2019		12.000							12.000	100% / 0%
SIATIS CHRISTOS (5) Non – Executive Member	2020		40.000	39.960						79.960	100% / 0%
	2019		60.000	39.960						99.960	100% / 0%
ZAIROPOULOS VASILEIOS (6), (10) Non – Executive Member	2020		58.475	394.940					5.262	458.677	100% / 0%
	2019		45.455	309.840					3.557	358.852	100% / 0%

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

(1)) Remuneration refers to:

2020: Base Salary: amount of 502 030 € is from the parent company, amount of € 18 000 is from 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 subsidiary Don & Low LTD and amount of GBP 45 900 is from subsidiary Synthetic Holdings LTD.

Variable remuneration: amount of € 337 380 is from the parent company.

2019: 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:

2020: Fees from participation in BoD: amount of € 40 000 is from the subsidiary Trierina Trading LTD.

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

2019: Fees from participation in BoD: amount of € 60 000 is from the subsidiary Trierina Trading LTD.

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

(6) Remuneration refers to:

2020: Fees from participation in BoD: GBP 52 025 is from subsidiary Don & Low LTD. (The salary between the 2 years is the same. In 2019 Mr. Zairopoulos resigned from the salary of GBP 12 125).

Service contract: amount of € 217 580 (part of this amount, € 85 100 is a lump sum fee due to a specific project assigned to him) is from 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 4 682 is from the subsidiary Don & Low LTD.

2019: 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) Executive member of the Board of Directors & COO until January 10, 2020, date of departure from the Company.

(8) Assumption of duties Chief Entrepreneur from October 19, 2020.

(9) Assumption of duties as CEO from October 19, 2020.

(10) The conversion of fees in GBP to Euro was done according to the exchange rate:

2020: 1 € = 0.8897 GBP

2019: 1 € = 0.8778 GBP

Table 1.b - Remuneration of BoD members for financial year 2019 and 2020 (amount in €), from all the companies of the Group (except the parent company) (Remuneration is included in Table 1.a)

Name of BoD Member, Position	Fin. Year	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), (7) Chairman & Chief Entrepreneur	2020	18.000	200.629							218.629	100% / 0%
	2019	18.000	203.349							221.349	100% / 0%
KOMNHNOS CHRISTOS- ALEXIOS (2), (3) Non – Executive Vice - Chairman	2020			12.000						12.000	100% / 0%
	2019			12.000						12.000	100% / 0%
SIATIS CHRISTOS (4) Non – Executive Member	2020		40.000							40.000	100% / 0%
	2019		60.000							60.000	100% / 0%
ZAIROPOULOS VASILEIOS (5), (7) Non – Executive Member	2020		58.475	177.360					5.262	241.097	100% / 0%
	2019		45.455	177.360					3.557	226.371	100% / 0%

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

(1) The fees apply for both years:

Base Salary: amount of € 18 000 000 is from subsidiary Trierina Trading LTD.

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

2020: Fees from participation in BoD: amount of € 40 000 is from the subsidiary Trierina Trading LTD.

2019: Fees from participation in BoD: amount of € 60 000 is from the subsidiary Trierina Trading LTD.

(5) Remuneration refers to:

2020: Fees from participation in BoD: GBP 52 025 is from subsidiary Don & Low LTD. (The salary between the 2 years is the same. In 2019 Mr. Zairopoulos resigned from the salary of GBP 12 125).

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 4 682 is from the subsidiary Don & Low LTD.

2019: 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) Assumption of duties Chief Entrepreneur from October 19, 2020.

(7) The conversion of fees in GBP to Euro was done according to the exchange rate:

2020: 1 € = 0.8897 GBP

2019: 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 2020					
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 & Chief Entrepreneur	Adjusted EBITDA* Proportion Cons	100%	α) 80%	α) 150%	α) 196,8%
			β) 80%*45%=36%	β) 150%*45%=68%	β) 150%*45%=68%
MALAMOS DIMITRIOS CEO	Adjusted EBITDA* Proportion Cons	100%	α) 80%	α) 150%	α) 196,8%
			β) 80%*45%=36%	β) 150%*45%=68%	β) 150%*45%=68%

(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.

Table 3 - Comparative table for earnings and corporate performance over the last two financial reference years		
Annual Change	2020 vs 2019	2020
Board member remuneration, Position (amount in €)		
HALIORIS KONSTANTINOS (1) Chairman & Chief Entrepreneur	10,4%	1.395.047
MALAMOS DIMITRIOS (2) CEO	34,5%	521.707
BRAIMIS GEORGIOS (3) Executive Member, COO	-83,5%	70.345
KOLYVAS THEODOSIOS (4) Vice Chairman, Executive Member	0,0%	0
KOMNHNOS CHRISTOS-ALEXIOS (5) Non – Executive Vice - Chairman	0,0%	12.000
APOSTOLAKOS IOANNIS Independent Non – Executive Member	0,0%	17.004
GIANNIRIS KONSTANTINOS Independent Non – Executive Member	0,0%	17.004
FRONISTAS PETROS Independent Non – Executive Member	0,0%	25.008
KITSOS THEODOROS Independent Non – Executive Member	0,0%	18.000
GLYKAS NIKITAS Independent Non – Executive Member	0,0%	12.000
SIATIS CHRISTOS Non – Executive Member	-20,0%	79.960
ZAIROPOULOS VASILEIOS (6) Non – Executive Member	27,8%	458.677
Performance of the Company according to the published financial statements (amounts in € '000)		
EBT	+410,3%	11.743
Performance of the Group according to the published financial statements (amounts in € '000)		
Adjusted EBITDA	150,1%	76.559
EBT	484,2%	48.767
Average remuneration on an equal basis of full-time employees (amounts in €)		
Company's Employees (7)	-14,6%	51.059

- (1) Assignment of Chief Entrepreneur from October 19, 2020.
- (2) Assumption of the position of Managing Director from October 19, 2020.
- (3) He left the company on 10th of January 2020.
- (4) Vice Chairman of the Board until March 19, 2019
- (5) Vice Chairman of the Board from March 20, 2019.
- (6) One-time fee for the completion of a specific project (reduction of operation of a textile factory of Don & Low).
- (7) There was an increase in the number of employees by 18%. New entrants had annual gross earnings lower than the 2019 average annual gross earnings.