

## CORPORATE GOVERNANCE STATEMENT

### I. Reference to the Corporate Governance Code which applies to the Company and the place where the Code is available to the public

TITAN CEMENT S.A. (hereinafter "the Company") is a société anonyme whose ordinary and preference shares are admitted to trading on the Athens Exchange.

This Corporate Governance Statement constitutes a special part of the Board of Directors' Annual Report prepared in accordance with the provisions of Article 2(2) of Law 3873/2010.

By virtue of the Company's Board of resolution dated 16.12.2010, the Company has officially adopted the UK Code on Corporate Governance (hereinafter "the Code"), as revised by the UK Financial Reporting Council in June 2010. The Code can be found on the website of the UK Financial Reporting Council ([www.frc.org.uk](http://www.frc.org.uk)) and a Greek translation thereof is available on the company's website ([www.titan.gr](http://www.titan.gr)), at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>.

The Company applies the Code subject to the derogations cited in Section VIII of this statement, where reasons for those derogations are provided.

### II. Reference to corporate governance practices implemented by the Company in addition to the provisions of law and reference to the place where they are published

In addition to the provisions of Greek law set forth in Laws 2190/1920, 3016/2002, 3693/2008, 3884/2010 and 3873/2010, by officially opting to apply the UK Corporate Governance Code, TITAN CEMENT S.A. also applies the best practices advanced by said Code.

In relation to the independence criteria that must be met by the independent members of the Board of Directors, further to the criteria set forth in the legislation and the Code, the Company is also applying the additional criteria set out below in the paragraph titled «Nominating candidates for the Board of Directors» in Section III of this statement. Those criteria can also be found on the Company's website ([www.titan.gr](http://www.titan.gr)), at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

### III. Reference to composition and modus operandi of the Board of Directors and other administrative, management and supervisory bodies or committees of the Company

## BOARD OF DIRECTORS

### Chairman

#### ANDREAS CANELLOPOULOS

Age: 72, non executive director since 01.03.2006.

Member of the Nomination and Corporate Governance Committee.

Chairman of the Board of Directors since 1996, Managing Director from 1983 to 1996 and member of the Board of Directors since 1971.

Member of the Board of Directors of the Paul and Alexandra Canellopoulos Foundation and until February 2012, Member of Board of Directors of the Foundation for Economic & Industrial Research.

He was Vice Chairman of the Board of Directors of Alpha Bank (1995 - 2006). He was Chairman of the Hellenic Federation of Enterprises (1994 to 2000).

### Vice Chairman

#### EFSTRATIOS - GEORGIOS (TAKIS) ARAPOGLOU

Age: 61. Independent, non-executive director since 18.5.2010 (1st term in office).

Member of the Nomination and Corporate Governance Committee.

Managing Director of commercial banking of the investment bank EFG – Hermes Holding. He has served as a senior executive in international investment banks in London (1977-1991) and has managed Greek banks and subsidiaries of foreign banks in Greece (1991-2000). He has served as Managing Director and Global Head of the Banks and Security Industry with Citigroup, based in London (2000-2004). From 2004 until the end of 2009 he was Chairman and Governor of National Bank of Greece. He was elected Chairman of the Hellenic Bankers Association (2005 - 2009).

Until today he retains the position of Chairman of the Business Council of the Athens University of Economics and is a member of the International Board of Trustees of Tufts University in Boston. He is also member of the Board of Directors of Tsakos Energy Navigation (TEN), listed on the NYSE.

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

### Chief Executive Officer

#### DIMITRI PAPALEXOPOULOS

Age: 50. Executive Director since 1992, Managing Director since 1996 and an executive of the Company since 1989.

In the past, he worked as a business consultant with McKinsey & Company Inc. in the USA and Germany.

He is member of the Board of Directors of E.F.G. EUROBANK, the Hellenic Federation of Enterprises Committee for Sustainable Development, the Foundation for Economic & Industrial Research and the European Round Table for Industrialists (ERT).

He studied electrical engineering (Dip. EL-Ing. ETH, 1985) at the Swiss Federal Institute of Technology Zurich (ETH) and business administration (MBA 1987) at Harvard University, USA.

## Members

### NELLOS CANELLOPOULOS

Age: 48. Executive director since 1992.

He is External Relations Director of TITAN Group since 1996.

Previously, he worked as a Sales Division Executive with TITAN Cement Company S.A. (1990-1996) and an executive at Ionia S.A. (1989 and 1990).

Chairman of the Board of Directors of the Paul and Alexandra Canellopoulos Museum and Chairman of the Paul and Alexandra Canellopoulos Foundation. He is also Chairman of the Board of Directors of the Hellenic Cement Industry Association.

### TAKIS-PANAGIOTIS CANELLOPOULOS

Age: 44. Executive director since 2007.

Investor Relations Director of TITAN Group since 2001. From 1995 to 2001, he worked as an executive in the TITAN Group Financial Division. Previously, he worked as a financial analyst with AIG and with the EFG Eurobank Corporate Division.

He is also a member of the Board of Directors of Canellopoulos Adamantiadis Insurance Co. (Chartis Hellas).

He holds degrees in economics (BA) from Brown University, U.S.A. and in business administration (MBA) from the New York University / Stern School of Business, U.S.A..

### GEORGE DAVID

Age: 75. Independent, non-executive director since 2001 (4th term in office).

Chairman of the Remuneration Committee from 2004.

Chairman of the Board of Directors of Coca Cola Hellenic Bottling Company S.A, member of the Board of Directors of Petros Petropoulos S.A. He is also member of the A.G. Leventis Foundation, the Hellenic Foundation for European & Foreign Policy (ELIAMEP) and the Centre for Asia Minor Studies.

### VASSILIOS FOURLIS

Age: 52 years old, Independent, non-executive director since 2007 (2nd term in office).

Member of the Audit Committee.

Chairman of FOURLIS S.A. Holdings. He also sits on the Board of Frigoglass S.A., Piraeus Bank and Hellenic Organization of Telecommunications (OTE S.A.).

He holds a Masters degree from the University of California, Berkeley (Masters Degree in Economic Development and Regional Planning) and a Masters degree from Boston University/ Brussels (Masters Degree in International Business).

### PANAGIOTIS MARINOPOULOS

Age: 61. Independent, non-executive director since 2004 (3rd term in office).

Member of the Remuneration Committee since 2007.

Chairman of Sephora-Marinopoulos and member of the Board of Directors of Famar S.A., Marinopoulos Bros S.A. and Carrefour – Marinopoulos.

He is also a member of the General Council of the Hellenic Federation of Enterprises and the Foundation for Economic & Industrial Research, and a Board member and Treasurer of the N.P. Goulandris Foundation – Museum of Cycladic Art.

He is graduate of the Athens School of Pharmacy and the Paris Institut d'Etudes

Politiques.

### ALEXANDRA PAPALEXOPOULOU - BENOPOULOU

Age: 46. Executive director since 1995.

Strategic Planning Director of TITAN Group since 1997. From 1992 to 1997 she worked as an executive in the Group Exports Division. She initially worked for the OECD in Paris and the consultancy firm Booz, Allen & Hamilton.

She is a member of the Board and Treasurer of the Paul and Alexandra Canellopoulos Foundation and member of the Board of National Bank of Greece. She also sits on the Board of Frigoglass. From 2007 until 2009 she was Board member of Emporiki Bank.

She studied economics at Swarthmore College, USA, and business administration (MBA) at INSEAD, Fontainebleau, France.

### PETROS SABATACAKIS

Age: 65. Independent, non-executive director since 2010 (1st term in office).

President of the Audit Committee and Member of the Remuneration Committee.

He is a member of the Board of Directors of National Bank of Greece since 2010.

He was Chief Risk Manager for Citigroup Inc. (1999-2004) and 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 JP Morgan Chase). He has been the chairman of Plan International and Childreach (Non-profit Organization), a Trustee of Athens College in Greece, and a Director of the Gennadius Library.

He earned three degrees from Columbia University: Bachelor of Science, Masters of Business Administration and Doctor of Philosophy degree in Economics.

### MICHAIL SIGALAS

Age: 63. Executive Director since 1998.

South Eastern Europe and Eastern Mediterranean Regions (SEE & EM) Director and International Trade Director of TITAN Group. He has also served as Exports Director of TITAN Group.

He worked in Canada with Prestcold North America Ltd. (1973 to 1979) and with Hellenic Aerospace Industry (1980 to 1985), as Commercial Director.

He studied mechanical engineering at Concordia University, Canada.

### SPYRIDON THEODOROPOULOS

Age: 54. Independent, non-executive director since 2001 (4th term in office).

Chairman of the Nomination and Corporate Governance Committee.

Managing Director of Chipita since 1986. He is also a member of the Board National Bank of Greece. He began his career in 1976 with the family dairy products company Recor S.A. He served as the Managing Director of VIVARTIA SA (2006-2010).

He has also served as Chairman of the Union of Listed Companies, as Vice Chairman of the Hellenic Federation of Enterprises and as Vice Chairman of HELEX.

He is graduate of the Athens University of Economics & Business.

**EFTICHIOS VASSILAKIS**

Age: 45. Independent, non-executive director since 10.5.2007 (2nd term in office).

Member of the Audit Committee since 17.12.2009.

Vice Chairman and Managing Director of AUTOHELLAS S.A. (HERTZ), Vice Chairman of AEGEAN AIRLINES S.A. He is also a member of the Board of Directors of PIRAEUS BANK, IDEAL GROUP S.A and, FOURLIS HOLDINGS S.A.

He is graduate of Yale University and Columbia Business School of New York (MBA).

**EFTHYMOS VIDALIS**

Age: 57. Executive Director since 15.06.2011.

From 2004 until 15.06.2011 served as independent non executive director.

He is a member of the Board of Directors of S&B Industrial Minerals S.A, where he also served as managing director (2001-2011) and chief operating officer COO (1998-2001). From 1994 to 1998 he served as Chairman of the global activities of Synthetic Materials (Composites) and Insulation Materials. He also worked for the company Owen Corning, USA (1981-1998).

He is also Vice Chairman of the Hellenic Federation of Enterprises, Chairman of the Hellenic Federation of Enterprises Committee for Sustainable Development. He served as Chairman of the Greek Mining Enterprises Association from 2005 to 2009. He is also President of ENOIA BV, executive director of Raycap SA and Board member of the companies, Zeus Capital Partners and Future Pipe Industries, Dubai.

He studied political sciences (BA) and business administration (MBA) at Harvard University, USA.

**COMPANY SECRETARY****ELENI PAPAPANOU**

Attorney at law

e-mail: enp@titan.gr

**AUDIT COMMITTEE****Chairman**

Sabatcakis Petros, independent, non-executive Board member

**Members**

Eftychios Vasilakis, independent, non-executive Board member

Vasilios Fourlis, independent non-executive Board member

**Stand-in members**

Spyridon Theodoropoulos, independent, non-executive Board member

Panagiotis Marinopoulos, independent, non-executive Board member

**REMUNERATION COMMITTEE****Chairman**

George David, independent, non-executive Board member

**Members**

Panagiotis Marinopoulos, independent, non-executive Board member

Petros Sabatcakis, independent, non-executive Board member

**NOMINATION AND CORPORATE GOVERNANCE COMMITTEE****Chairman**

Spyridon Theodoropoulos, independent, non-executive Board member

**Members**

Efstathios – Georgios (Takis) Arapoglou, independent, non-executive Board member

Andreas Canellopoulos, non-executive Board member

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE****Chairman**

Dimitri Papalexopoulos, Chief Executive Officer

**Vice-Chairman**

Nellos Canellopoulos, Executive member of the Board and Group External Relations Manager

**Members**

Maria Alexiou, Group Corporate Social Responsibility Director

Efthymios Vidalis, Executive member of the Board

Vasilios Zarkalis, Group Chief Financial Officer

Giannis Kollas, Group HR Director

Sokratis Baltzis, General Manager Greece Region

Aris Papadopoulos, U.S.A. Region Director

Michail Sigalas, Executive member of the Board, SE Europe and E. Mediterranean Region Director

Panikos Trakkidis, Group Technology & Engineering Director (until 28.02.2012)

Fokion Tasoulas, Group Technology & Engineering Director (from 28.02.2012)

**EXECUTIVE COMMITTEE****Chairman**

Dimitri Papalexopoulos, Chief Executive Officer

**Members**

Efthymios Vidalis, Executive Member of the Board

Vasilios Zarkalis, Group Chief Financial Officer

Nellos Canellopoulos, Group External Relations Director

Sokratis Baltzis, General Manager Greece Region

Aris Papadopoulos, U.S.A. Region Director

Alexandra Papalexopoulou-Benopoulou, Group Strategic Planning Director

Michail Sigalas, SE Europe and E. Mediterranean Region Director

## BOARD OF DIRECTORS

### Role and competences

The Board of Directors is the Company's supreme administrative body, which is exclusively responsible for determining the Company's strategy and its growth and development policy. Key duties of the Board of Directors are to seek to support the long-term financial value of the Company, to defend the Company's interests in general and those of shareholders, to ensure that the Company and Group comply with the laws, to bolster transparency, corporate values and the Company's Code of Conduct in all Group operations and activities, to ensure the effective operation of the Company's audit mechanisms, and to monitor and resolve conflicts of interest issues between members of the Board of Directors, managers and shareholders, and the interests of the Company and Group and to check the performance of the Chairman of the Board of Directors, the CEO, and the senior executives.

The Board of Directors is exclusively responsible for taking decisions on important issues such as: approval of the Company's financial statements to be submitted to the General Meeting; approval of the annual budget; increases in Company share capital in cases where that is specified by law or the Articles of Association; issuing corporate bonds, in parallel with the competence 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 issues to the General Meeting; preparing the annual management report and other reports required by the relevant legislation; appointing the company's internal auditors and appointing the Company's legal representatives and special representatives and agents.

Moreover, the Board of Directors is responsible for determining the pay and other remuneration of the CEO and other senior executives of the Company and Group, for recommending for vote by the General Meeting stock options programs for executive members of the Board of Directors and staff of the Company and related companies etc.

The duties of the Chairman of the Board and those of the CEO are performed by different persons, and their powers and competences are discrete and expressly set out in the Company's Articles of Association and the Company's Internal Regulation, as in force following the recent revision approved by the Board of Directors at its meeting on 17.12.2009.

According to the Company's Articles of Association and with the exception of cases like those above where a decision of the Board of Directors is required, the Board of Directors is entitled to issue a decision transferring and assigning its management and representation powers to one or more members of the Board of Directors or to Company managers or executives. Moreover, it may also transfer its powers to the Executive Committee. The scope of that Committee and how it operates are described below.

After the decision taken by the General Meeting of Shareholders on 23.5.2006 the members of the Board of Directors hold third party civil liability insurance.

### Composition of Board of Directors

The current Company Board of Directors consists of 14 members and was elected by the General Meeting of Shareholders

of 18.5.2010 and will serve for a 3-year term in office which will expire at the 2013 Ordinary General Meeting.

### Independent board members

The ½ of the Board's members, that is seven (7) members, are independent, non-executive members, namely persons who have no relationship of dependence on the Company or its related parties and meet the independence requirements laid down by Greek law. They are Messrs. Efstratios – Georgios (Takis) Arapoglou, Eftychios Vasilakis, George David, Spyridon Theodoropoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Furlis.

These persons were elected as independent members by the General Meeting on 18.5.2010 following a recommendation from the Board of Directors, which had first checked and ascertained that each of them met the independence requirements laid down by law as well as the additional criteria of independence adopted by the Company set out below in the paragraph titled «Nominating candidates for the Board of Directors» in Section III of this statement.

Also, all of the above independent directors, with the exception of Messrs. George David and Spyridon Theodoropoulos, meet as well the independence criteria specified in Article B.1.1 of the Code. More specifically, Messrs. David and Theodoropoulos have exceeded the limit on three terms in office specified by the Code since they were elected on 18.05.2010 for a fourth time by the General Meeting of Shareholders and are currently in their eleventh year on the Board of Directors. Both were elected as members of the Board of Directors by the General Meeting of Shareholders for the first time in 2001. However, the Board of Directors considers that despite the fact that they have exceeded the limit of terms in office, nonetheless both members are independent in their way of thinking, judgment and character and, for that reason, they are indeed independent.

The Board's independent members are entitled to meet without the presence of the executive members or the Chairman, in any case they deem it necessary. Such a need did not occur in 2011.

In addition, as provided for in the Code, once per year the Board's independent members have a meeting, under the lead of the Senior Independent Director, without the presence of the executive members and the Chairman, in order to evaluate the performance of the Chairman and a meeting, under the lead of the Chairman and without the presence of the executive members. Such meetings were held during the year 2011.

### Non-executive Board Members - Executive Board Members

The majority of the members of the Board of Directors of the Company, that is 8 of 14 members, comprises of non executive directors.

By virtue of the Board of Directors Resolution of 15.6.2011, the non executive members of the Board of Directors are Messrs. Efstratios - Georgios (Takis) Arapoglou, Eftychios Vasilakis, George David, Spyridon Theodoropoulos, Andreas Canellopoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Furlis.

The Board of Directors by virtue of the same as above resolution dated 15.06.2011 determined that Mr. Efthymios Vidalis, who until then served as independent non executive director, acquired the capacity of executive director. Said resolution was



announced to the Athens Exchange and to investors and was taken in view of the increased duties in the sectors of strategy and sustainable development that were delegated to Mr. Vidalis, as of 01/07/2011; said increased responsibilities entail the exercise on the part of Mr. Vidalis of executive director's duties and his entitlement to increased remuneration in accordance with the relevant resolution of the General Meeting of the Shareholders of 15.06.2011. A detailed reference to said resolution is set out below in the section referring to the Remuneration of the Board of Directors.

The Board's non-executive members do not perform executive or management tasks but through their participation in the Board and its Committees (in fact only such members sit on committees), contribute to the Company to mark out its strategy, supervise the suitability and effectiveness of administration, internal audit, and risk management systems, determine the level of pay for executive members of the Board, select new suitable candidates for the Board of Directors and ensure a succession plan is in place.

The Board of Directors in accordance with the relevant provision B.1.1. of the Code determines that the following seven of total eight non executive directors are independent: Messrs. Efstratios- Georgios (Takis) Arapoglou, Eftychios Vasilakis, George David, Spyridon Theodoropoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vasilios Fourlis, who have also been appointed, as per the Greek law, by the General Meeting of the Shareholders as independent directors.

The executive members of the Board of Directors are six, namely Messrs. Dimitri Papalexopoulos, Nello Canellopoulos, Takis Canellopoulos, Alexandra Papalexopoulou, Michail Sigalas and Efthymios Vidalis.

Five of the total six executive members of the Board of Directors, including the CEO, Mr. Dimitri Papalexopoulos, originate from the shareholding core and senior executives of the Company, providing their services to the Company on the basis of employment contracts.

#### The Chairman of the Board

Mr. Andreas Canellopoulos, Chairman of the Board, is one of the Company's main shareholders, and previously served as CEO from 1983 to 1996. Since 2006 he has not performed executive and management duties and is only involved in performing his duties as Chairman of the Board, and his main concern has been to ensure the effective and efficient operation of the Board, that members collaborate harmoniously and that decisions are taken which reflect the system of principles and values which the Company has adopted.

The Chairman directs the Board's meetings and is responsible for drafting the agenda of meetings, dispatching it to members of the Board in good time along with the necessary information and materials, ensuring that independent and non-executive members are kept fully briefed so that they can effectively perform their supervisory and decision-making role, and facilitating communication between members of the Board and shareholders.

He is also a member of the Nomination and Corporate Governance Committee established by the Board of Directors.

The Chairman has no other professional commitments and is not a member of the Board of Directors of other companies,

other than the Board of the public benefit foundation, the PAVLOS AND ALEXANDRA CANELLOPOULOS FOUNDATION, which is a main shareholder of the Company, and (until February 2012) the Board of the Foundation for Economic & Industrial Research (IOBE).

#### Vice-Chairman of the Board

Mr. Efstratios - Georgios (Takis) Arapoglou, an independent, non-executive member, has been appointed as Vice Chairman of the Board of Directors.

#### Senior Independent Director

The Board's Vice Chairman, Mr. Efstratios - Georgios (Takis) Arapoglou, has also been appointed by the Board of Directors as the Senior Independent Director who is obliged, inter alia, to be available to resolve shareholder issues, which have not been resolved by the executive members of the Board of Directors or the Chairman.

#### Board of Directors Secretary (Company Secretary)

The Board of Directors has appointed the Company's attorney at law, Mrs. Eleni Papapanou, as the Company Secretary, who provides legal support to the Chairman and the members of the Board. When exercising her duties the Company Secretary reports to the Board of Directors and, in hierarchical terms, does not report to any other department of the Company.

#### Board of Directors meetings

The Board of Directors meets as often as required based on the Company needs and takes its decisions by absolute majority of the directors present or represented at it.

Board members who are absent or unable to attend the meeting for any reason are entitled to be represented by another member of the Board of Directors who will vote in their name.

Each member is entitled to represent only one other member and vote in his name.

Executives of the Company or its related companies within the meaning of Article 42e(5) of Codified Law 2190/1920 are entitled to attend meetings of the Board of Directors without voting rights, following an invitation from the Chairman, provided issues within their remit are being discussed.

The dates of scheduled Board of Directors meetings are set in the last months of each year in order to ensure the maximum possible quorum at meetings is achieved.

The Board of Directors' agenda is prepared by the Chairman and is dispatched to members in good time, along with any necessary information about the topics to be discussed or on which decisions will be taken by members of the Board of Directors.

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.

#### Nominating candidates for the Board of Directors

Selection of suitable candidates and the planning of a smooth succession for members of the Board of Directors and senior management executives is the task of the Nomination and Corporate Governance Committee. Another key function of that

Committee is to ensure the necessary balance of qualifications, knowledge and experience for the members of the Board of Directors and that members of the Board are able to make available the time required to satisfactorily perform their duties.

In order to select suitable candidates, the Committee is, if it deems it necessary, entitled to use the services of special consultants or to publish notices. However, to date the Committee has found that recourse to such methods has not been necessary.

When new members of the Board assume their duties, they receive formal induction training. Moreover, throughout their term in office, the Chairman ensures that they constantly expand their skill sets on issues relating to the Company and become familiarised with the Company and its executives so that they can contribute more effectively to the work of the Board of Directors and its various Committees.

Following a relevant recommendation by the Nomination and Corporate Governance Committee and in accordance with the Board of Directors' Resolution of 17.03.2011 the nomination of candidacies and the composition of the Board of Directors is governed by the following principles:

A. At least ½ of the members of the Board of Directors, with the exception of the Chairman, must be independent non-executive members, that is to meet the independence criteria laid down in Greek law and the Code. In addition, they must not directly or indirectly hold shares in the Company accounting for more than 0.1% of its share capital.

B. Starting from the election of the next Board of Directors, the maximum limit on terms in office for independent members will be three, namely a total of 9 years of tenure.

C. The Chairman and at least one of the Vice Chairmen of the Board of Directors must be non-executive members of the Board of Directors and, at least one of them must be an independent, non-executive member.

#### Obligations of members of the Board of Directors

Members of the Board are obliged to attend scheduled meetings of the Board and the various Committees they sit on and to make available the time required to satisfactorily discharge their duties. To that end, before their election they are obliged to inform the Board of Directors about other important professional commitments and whether they sit on the Boards of Directors of other companies and to inform the Board in advance of any change in their above professional commitments. The Board of Directors has decided that its executive members who offer their services to the Company on the basis of an employment relationship or a contract for the provision of services may not sit as members of the Board of Directors of more than two other listed companies.

#### Conflict of interests

Members of the Board of Directors are obliged to immediately disclose to the Board of Directors their interests which may arise from Company transactions and any other conflict of interests with those of the Company or its related parties. Given their access to privileged information, they are obliged not to use such information to directly or indirectly purchase or sell shares in the Company or related companies which are traded on a regulated market for their own benefit or for members of their family. They are further obliged not to disclose that infor-

mation to other persons nor exhort third parties based on said privileged information they have to purchase or sell shares in the Company or its related companies which are traded on a regulated market.

#### **Board of Directors Committees**

The following Committees assist the Board of Directors in its work. They 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, where the Chairman, who is a non executive member, also sits.

The Board of Directors' Committees can also retain the services of specialist technical, financial, legal or other consultants.

#### **Audit Committee**

The Audit Committee is comprised exclusively of independent members of the Board of Directors who have extensive management, accounting and auditing knowledge and experience. The ordinary and stand-in members were elected by the General Meeting of Shareholders on 15.06.2011.

The Committee's extensive auditing powers include supervising the work of the Group Internal Audit Division, which reports directly to the Audit Committee, monitoring the proper and effective implementation of the internal audit system and the risk management system, auditing the financial statements before they are approved by the Board of Directors, nominating certified public accountants who are then recommended by the Board of Directors to the General Meeting of Shareholders and monitoring issues relating to the retention of their independence and objectivity, as well as the monitoring of the financial reporting procedures implemented by the Company. The Committee is also responsible for supervising and monitoring the implementation of the confidential reporting procedure which involves employees reporting any infringement of Company values or the Company Code of Conduct to management via the hotline which is in operation.

The Audit Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

The Audit Committee carries out at least 4 scheduled meetings each year to audit first quarter, half-year, third quarter and annual financial statements and to monitor the Company's internal audit and risk management systems. It also holds unscheduled meetings whenever that is considered necessary.

In 2011 the Audit Committee held 4 meetings on 11/3, 5/5, 2/8 and 9/11. Moreover, its Chairman held meetings with the Director of Internal Audit for the monitoring of the audits and the duly preparation for next year.

At its meetings the Committee addressed all issues within its remit, and in particular it addressed the following topics: a. an audit of the Company's financial statements as to their completeness and reliability in terms of the financial information they provide; b. monitoring and evaluation of the work of the Internal Audit Division, approval of changes to staffing of the internal audit services, and evaluation and recommendations on the annual pay for the Group's Internal Audit Director; c. an audit and evaluation of the Company and Group's risk management systems; d. a check to ensure the independence of the

certified public accountants; and e. recommendations on the selection of an audit firm to review and audit the 2011 financial statements.

In 2011 the Audit Committee held 2 meetings (11/3 and 01/08) with the certified public accountants Messrs Christodoulos Seferis and Christos Pelendridis without the presence of the executives of the Company.

### **Remuneration Committee**

Its task is to explore and submit proposals for the determination of the pay and remuneration in accordance with article 24 section 2 of Law 2190/1920, for the members of the Board of Directors, for the pay and remuneration of the executive directors of the Board of Directors, and of the senior management executives, fields in which all three members of the Committee have proven knowledge and experience.

During the year, the Remuneration Committee met once on 05.05.2011. At this meeting the Committee discussed in depth on the general pay policy, variable pay and stock option plans for senior executives of the Company for the year 2011 and took decisions on those matters, which were thereafter submitted for approval to the Board of Directors.

The relevant recommendation of the Committee, which was thereafter approved by the Board of Directors, was not to grant increases to the basic salaries of the executives with the exception of corrective increases in those cases where the executives' salaries were disproportionally low for the positions they held.

It was also determined, on the basis of their performance, the level for 2011 of the pay of the CEO and of the five executive members of the Board of Directors that have an employment relationship with the Company, their level of participation in the profits distributed for 2010 and the number of stock options to be granted in 2011 as part of the performance based stock option plan (RSIP 2010) that was approved by the General Meeting of Shareholders of 03.06.2010.

Finally, it was decided the additional remuneration, as per article 24 section 2 of Law 2190/1920 of the new executive member, Mr. Efthymios Vidalis, for his additional services to the Board of Directors during the period from 01.07.2011 until 31.12.2011; said decision was thereafter submitted for approval to the Board of Directors and the General Meeting of Shareholders of the Company.

The Remuneration Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

### **Nomination and Corporate Governance Committee**

This Committee is comprised of three Board members of which two are independent. The Chairman of the Board of Directors sits on the Committee as its third member, who is a non executive director.

All members of the Committee have extensive experience in business administration and corporate governance. The task of this Committee is to recommend suitable candidates for membership of the Board of Directors, to plan for the succession and continuity of Company Management and to offer opinions on the correct implementation of Corporate Governance Principles in relation to the relevant legislation, the best interna-

tional practices and the Code of Corporate Governance that the Company applies.

The Committee had one meeting in 2011 on 25.02.2011.

At that meeting the Committee sought to draw conclusions from the responses of the members of the Board to the questionnaire relating to the evaluation of the function of the Board of Directors and its Committees in 2010 and to submit a relevant report to the Board of Directors. During the same meeting, the Committee studied the existing succession plans for the Chairman, the CEO and the senior executives of the Company. Moreover, the Committee studied the contents of the Corporate Governance Statement that was for the first time submitted by the Company in 2011, as part of the Annual Report of the Board of Directors for the fiscal year 2010, and also studied all derogations from the principles of the UK Code of Corporate Governance, which the Company applies and, concluded, that all such derogations were reasonable.

The Nomination and Corporate Governance Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

In addition to the above three Committees of the Board of Directors, the following Committees have been formed, for the monitoring and the coordination of the Company' and the Group's activities.

### **Corporate Social Responsibility Committee**

The purpose of this Committee is to provide advice and support to the Company Management in planning strategy and coordinating Group's activities in the Corporate Social Responsibility matters. Its aim is to constantly improve the performance of the Company and its subsidiaries in three core fields: health and safety at work, environmental protection viewed from the perspective of sustainable development and stakeholder engagement. Its activities include adopting Corporate Social Responsibility and Sustainable Development principles and integrating them into the Group's various sectors of activity and operations; providing advice and support to constantly improve Company and Group performance; periodically measuring and assessing the environmental and social impact of the Company's major investments and regularly briefing the Board of Directors; and ensuring active Company participation in Greek and international Corporate Social Responsibility-related bodies.

Former members of the Committee and other competent senior executives of the Company and Group are also entitled to attend Committee meetings.

The Corporate Social Responsibility Committee's duties and competences and its internal regulation have been posted to the Company's website ([www.titan.gr](http://www.titan.gr)) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

### **Executive Committee**

The Company's Articles of Association provide for an Executive Committee, today comprising of 4 executive members of the Board of Directors and 3 senior management executives, which is responsible for the supervision of the operation of the various departments and divisions of the Company, and for coordinating their activities. Any of the persons who have acted in the past as Chairman, Managing and Executive Director is entitled to participate in the activities of the Executive Committee.

### Evaluation of the Board of Directors and its Committees in 2011

In 2011, the Company's Board of Directors held 6 scheduled meetings on 17/3, 5/5, 15/6, 2/8, 10/11 and 19/12. It also held an additional unscheduled meeting on 16/06, to issue a resolution for the death of its past member, Socratis Angelides.

As already mentioned, during 2011 the Audit Committee met 4 times (on 11/3, 5/5, 2/8 and 9/11), the Nomination and Corporate Governance Committee met once (on 25/2) and the Remuneration Committee met once (on 5/5).

Below is a table showing which members attended these meetings of the Board of Directors and its Committees during 2011:

### Remuneration of Board members in 2011

On 15.06.2011 the General Meeting of Shareholders had pre-approved, in accordance with article 24 section 2 of Law 2190/1920, the payment of remuneration for the year 2011 for the members of the Board of Directors and its Committees, being of the same amount as for the year 2010.

The relevant remuneration amounted to a gross amount of Euro 19,200 for each member of the Board of Directors, to a gross amount of Euro 12,800 to each member of the Audit Committee and to a gross amount of Euro 6,400 to each member of the Remuneration Committee and of the Nomination and Corporate Governance Committee.

BOARD AND COMMITTEE MEETINGS – FREQUENCY AND ATTENDANCE					
NAMES	Six scheduled Board meetings	1 non- scheduled Board meetings	Audit committee Four meetings	Nomination and Corporate Governance Committee One meeting	Remuneration Committee One meeting
ANDREAS CANELLOPOULOS	6/6	1/1		1/1	
TAKIS(EFSTRATIOS-GEORGIOS) ARAPOGLOU *	5/6	-		1/1	
DIMITRI PAPAEXOPOULOS	6/6	1/1			
EFTICHIOS VASILAKIS	5/6	-	4/4		
EFTHYMOS VIDALIS	5/6	1/1	2/2		
GEORGE DAVID	3/6	-			1/1
SPYRIDON THEODOROPoulos	5/6	-		1/1	
NELLOS CANELLOPOULOS	6/6	1/1			
TAKIS-PANAGIOTIS CANELLOPOULOS	6/6	1/1			
PANAGIOTIS MARINOPOULOS	3/6	-			1/1
ALEXANDRA PAPAEXOPOULOU-BENOPOULOU	6/6	1/1			
PETROS SABATACAKIS	5/6	-	2/2		1/1
MICHAIL SIGALAS	6/6	1/1			
VASSILIOS FOURLIS	4/6	-	4/4		

\* Participated through teleconference in one meeting.

The activities of the Board of Directors, Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee during 2011 and the individual contribution of each member of the Board of Directors was evaluated by the members of the Board of Directors by filling out a special, detailed questionnaire which had been prepared by the Company Secretary. The questionnaire was divided into 7 sections (Leadership, Line-up-Effectiveness-Board operations, BoD Work-Responsibility, Accountability - Communication with Shareholders, Committees Function, Members Attendance at the Board Meetings and the Shareholders Meetings and Individual Evaluation of the Members). Each member's contribution is evaluated with a score, ranging from 1 to 4, corresponding to poor, unsatisfactory, good and excellent contribution. The questionnaires were filled out anonymously and sent to the Company Secretary.

The Nomination and Corporate Governance Committee presented the conclusions drawn from the answers to these questionnaires to the Board of Directors and submitted specific proposals on how to further improve the operations and performance of the Board of Directors and its Committees.

Moreover, the Board's independent members evaluated the Chairman's performance during their meeting, without the Chairman or other executive members being present.

Although the above remuneration is deemed as relatively low, compared to the services provided by its members, the Board of Directors at its meeting of 10.11.2011, in the frames of its costs reduction program, decided to reduce by 10% the remuneration of its members both for their participation in the Board of Directors and for their participation in the Committees during the year 2011. As a result, the remuneration for 2011 amounted in total to the gross amount of Euro 311,040, analyzed as follows:

- Total Gross Amount Euro 241,920 was paid as remuneration for the participation of the Board members in the Board of Directors (€ 17,280 for each member).

- Total Gross Amount of Euro 34,560 was paid for the 3 members of the Audit Committee (€11,520 for each member).

Total Gross Amount of Euro 17,280 was paid for the 3 members of the Remuneration Committee (€ 5.760 for each member).

Total Gross Amount of Euro 17,280 was paid for the 3 members of the Nomination and Corporate Governance Committee Remuneration Committee (€5.760 for each member).

The payment of the above remuneration, as well as of the additional gross remuneration of Euro 75,000, to the new executive-member of the Board of Directors, Mr. Efthymios Vidalis, due to his increased duties in the frames of the Board of Directors, will be submitted for approval to the next Ordinary General Meeting of the Shareholders for the year 2011, in accordance with article 24 section 2 of Law 2190/1920.



The annual remuneration for 2011 for the 5 executive members of the Board of Directors who provided their services to the Company on the basis of an employment contract and the number of stock options that was granted to them in 2011 were decided on by the Board of Directors following a recommendation from the Remuneration Committee, based on their performance and the achievement of specific business targets.

The annual pay for the Chairman of the Board was also decided on by the Board of Directors following a recommendation from the Remuneration Committee, after the performance of his duties had first been evaluated by the Board of Directors. It should be noted that the Chairman has never participated in the company's stock option plans and consequently no options were granted to him in 2011.

The salary and all manner of gross remuneration paid to the Chairman and the 5 executive members of the Board of Directors offering their services to the Company on the basis of an employment contract totalled € 1,581,166.63. Moreover, the aforementioned persons received a total of € 657,848.40 as their participation in the distribution of profits for the year 2010.

The sixth executive member of the Board of Directors, who is not connected with the Company on the basis of an employment relationship or a contract for provision of services, as noted above, received an additional remuneration of Euro 75,000. Said member received no other amount as salary or fee, nor did he participate in the profits distribution for the year 2010.

The 6 executive directors also received 74,400 stock options in the context of the Company's Stock Option Plan approved by the General Meeting of Shareholders on 3.6.2010. Those options will mature under the strict terms and conditions specified in the Stock Option Plan (see description below) after 3 years have elapsed (namely in 2014).

Finally, following a practice advanced by the Code, the Company sets out information on the remuneration that two of the Board's executive members, Mr. Dimitri Papalexopoulos and Mrs. Alexandra Papalexopoulou, received in 2011 for their participation, as independent, non-executive members of the Board of Directors of other companies listed in the Athens Exchange. More specifically, Mr. Dimitris Papalexopoulos received the net amount of €19,266, as remuneration for his participation in the Board of Directors of EFG EURO BANK ERGASIAS and Mrs. Alexandra Papalexopoulou received the net amount of €28,710 for her participation in the Board of Directors of NATIONAL BANK OF GREECE and the net amount of €8,000 for her participation in the Board of Directors of FRIGOGLOSS S.A.

## IV. STOCK OPTION PLANS

### Stock option plans for executive members of the Board of Directors and senior executives of the Company and Group

Aiming to match the long-term personal goals of its senior executives with the interests of the Company and its shareholders, TITAN CEMENT S.A. has established and has been using stock option plans since 2000.

The initial Plan (the 2000 Plan), which was approved by the General Meeting of Shareholders of 5.7.2000 had a vesting period of three years (2001-2003) and expired in 2007. Under the 2000 plan, options to purchase 119,200 ordinary shares were exercised at a sale price of €29.35 per share and options to purchase 451,900 ordinary shares were exercised at a sale price of €14.68 per share.

In 2004, a new plan was approved (the 2004 Plan) again for a three-year period (2004-2006) following the decision of the General Meeting of Shareholders of 8.6.2004 in the context of which 67 senior executives of the Company and its related companies and 4 executive members of the Board of Directors were granted the option to purchase 387,030 ordinary shares in the company at a sale price equal to the nominal price of the Company's share.

The 2004 Plan provided that the options granted would vest after three years and after that date the beneficiaries would be entitled, without other formalities, to exercise only 1/3 of the number of options granted, whereas the ability to exercise the other 2/3 of the options would depend on the performance of the Company's ordinary share in relation to the average performance of the ATHEX FTSE 20, FTSE 40 and General Index of the Athens Exchange and the highly merchantable shares of pre-selected high cap companies in the building materials sector worldwide. Under the 2004 Plan, options to purchase 186,000 ordinary shares were eventually exercised up to December 2009 (108,489 in December 2006, 39,370 in December 2007, 14,200 in December 2008 and 23,950 in December 2009).

On 29.5.2007 the General Meeting of Shareholders approved the third stock option plan (the 2007 Plan) covering the three-year period 2007-2009, which again provided an exercise price equal to the nominal price of the Company's share. In the context of the 2007 Plan, in 2007, 2008 and 2009 options to purchase 399,300 ordinary shares in the Company were granted to 103 senior executives of the Company and its related companies, including 5 executive members of the Board of Directors.

Under the 2007 Plan, the number of options which was exercised by the beneficiaries after the end of the maturity period varied; the first third depended on the average EBITDA of the Company and its net profits in relation to the return on 3-year Greek treasury bonds during the relevant three-year period. The second third depended on the performance of the Company's ordinary share in relation to the performance of the highly merchantable shares of 12 pre-selected high cap companies in the building materials sector internationally and the other third depended on the performance of the Company's ordinary share in relation to the average performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes. The 2007 Plan favoured the long-term retention of a significant number of shares by executives as it introduced an obligation to hold 50%

of the shares until they acquire a specific minimum number of shares and any infringement of that requirement would result in a reduced number of options being granted in the next stock option plan.

In accordance with the vesting terms and conditions of the 2007 Plan, in December 2009 only 11.11% of the options which had been granted to beneficiaries in 2007 vested, while in December 2010 and December 2011, the 22.22% of the total number of options granted to beneficiaries in 2008 and 2009 vested. Overall, in December 2009, December 2010 and December 2011 options to purchase 60,972 ordinary shares in the Company were exercised at a price equal to the nominal price of each share, namely € 4 per share.

Lastly, on 3.6.2010 the General Meeting approved the most recent stock option plan (the 2010 Plan) which states that in 2010, 2011 and 2012 around 100 beneficiaries in total will be granted stock options for 1 million ordinary shares in the Company (treasury stock), which will vest and be exercisable in 2013, 2014 and 2015 respectively, at a sale price equal to the nominal value of the share (€ 4 per share) provided that the Plan's objectives will have been achieved, which depend (a) on the Group's operating results and net profits and (b) on the performance of the Company's share compared to the performance of the merchantable shares of other high cap companies in the building materials sector internationally and (c) the performance of the Company's share in relation to the performance of the ATHEX FTSE 20, ATHEX FTSE 40 and FTS Eurofirst 300 indexes.

The 2010 Plan also favours the long-term retention of a significant number of shares by company executives, since it contains a term requiring the retention of a minimum number of shares depending on the executive's position within the hierarchy, and any infringement of that requirement will result in a reduced number of options being granted in the next stock option plan.

It should be also noted that all the above Plans were designed to deter the undertaking of excessive risks by the senior executives of the Company, which, if unsuccessful, could have as a result the significant decrease of the Company's share price. Therefore, the Plans require the share price to be attractive at the time of the exercise of the option, compared to its trading price at the time of the grant of the option.

As part of the 2010 Plan:

a. In 2010, 5 executive members of the Board of Directors and 98 other executives of the Company and companies in the Group were granted stock options for 267,720 ordinary shares (treasury stock) of the Company, which will vest and can be exercised in 2013 provided that the objectives of the said plan have been met.

b. In 2011, 6 executive members of the Board of Directors and 98 other executives of the Company and companies in the Group were granted stock options for 301,200 ordinary shares (treasury stock) of the Company, which will vest and can be exercised, under the same as above conditions, in 2014.

A detailed description of these Plans is available on the Company's website ([www.titan.gr](http://www.titan.gr)), link: <http://ir.titan.gr/home.asp?pg=stockoption&lang=en>

## V. Description of main features of the Company's internal audit and risk management system in relation to the procedure for preparing the financial statements

### Internal Audit

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

Internal audit is performed today by 15 executives who have the necessary training and experience to flawlessly carry out their work.

Internal Audit's primary role is to evaluate the checks and balances that have been put in place for all Group functions in terms of their adequacy and effectiveness. Internal Audit's functions also include checking compliance with the laws in all jurisdictions in which the Group operates, as well as compliance with the Company's Internal Regulation and Code of Conduct.

During 2011 written reports from the Internal Audit Division relating to all audits of Group functions were submitted to the Audit Committee, and via it to the Board of Directors. The half-yearly and annual reports on the work of the Internal Audit Division, which contained an overall reference to the most important audit findings, were also submitted. During 2011 the Audit Committee held regular private meetings with the Group's Internal Audit Director to discuss functional and organisational issues, and all the 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 2012 and specified the functions and points on which internal audit must focus.

### The System of Internal Controls and Risk Management

The Board of Directors is generally responsible for the Company and Group's internal audit and risk management, and for evaluating their effectiveness each year.

The Board of Directors confirms that the Company has internal control systems and risk management policies in place and that it has been informed by the CEO and the competent Group executives about their effectiveness.

The Board of Directors is aware of the important risks which could materially impact the Group's operations, reputation and results, as well as of the risk management processes that support their identification, prioritization, mitigation and monitoring.

It should be noted, though, that the system of internal controls and the risk management provide reasonable, but not absolute security, as they are designed to reduce the probability of occurrence of the relevant risks and to mitigate their impact, but cannot preclude such risks from materialising.

Specifically, the key elements of the system of internal controls utilized in order to avoid errors in the preparation of financial statements and to provide reliable financial information are as follows:

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.

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.

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 indicate best-practices regarding the consolidation process, which the Group has to a large extent adopted.

During each Board meeting, the Group CEO informs the Board about financial results and business performance and the Group CFO informs the Board on the aforementioned once every quarter.

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 outcomes of their reviews and audits.

During its quarterly, bi-annual and annual reviews of the financial statements, the Audit Committee is informed about the performance of the Group's working capital and cash-flow, as well as about the Group's financial risk management. Following this, the Audit Committee informs the Board whose members have the right to request additional information or clarifications.

Prior to Board's approval, the Audit Committee reviews the consolidated financial statements. Any additional information or clarifications regarding the financial statements and requested by the Audit Committee is provided by the Company's competent executives.

### **Risk management**

Given the nature of its operations and its geographical diversification, the Group is *de facto* exposed to risks and uncertainties, the most important of which are outlined in the Section Risk and Uncertainties of the Board of Directors' Annual Report. Those risks include, among others, financial risks (liquidity/FX/interest rate/credit risks), risks arising from the cyclical nature of the construction sector, risks arising from the Group's presence in developing markets, risks arising from natural disasters, risk of accidents, environmental risks, management risks, risks related to input costs/access to raw materials and risks related to legal disputes.

The Board of Directors' Annual Report contains a detailed description of the policy it implements to address financial risks

and quite a few of the other risks referred to above. The financial risk management policy implemented is reviewed and revised twice a year by the Board of Directors.

The Group management team's main concern is to ensure that by implementing appropriate internal audit and risk management systems the Group overall is able to rapidly and effectively respond to risks as they arise and in all events to take the right measures to mitigate their effects to the extent possible.

To that end, the systems implemented by the Group provide for specific procedures to be followed and the implementation of specific policies and standards and designate the competent officers, at all levels, assigned with the management of the risks, and their limits of authority.

The Board of Directors are informed at least once a year about the main operational risks faced by the Group and examines whether those risks are clearly defined, have been adequately assessed and whether the method for managing them is effective.

## **VI. 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.

## **VII. Information about how the General Meeting of Shareholders operates and its main powers, a description of shareholder rights and how they are exercised**

### **General Meeting**

#### The General Meeting's modus operandi – Powers

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:

- Amendments to the Articles of Association, other than those which are decided on by the Board of Directors pursuant to law (Article 11(5), Article 13(2) and (13), and Article 17b(4) of Codified Law 2190/1920).
- Increases or reductions in the share capital, with the exception of those cases where that power lies with the Board of Directors pursuant to Law or the Articles of Association, and increases or reductions required by the provisions of other laws.
- The distribution of the annual profits, save for the case referred to in Article 34(2)(f) of Codified Law 2190/1920.
- 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 of members by the Board of Directors to replace members who have resigned, passed away or been removed from their post, for the remainder of the term in office of the members being replaced and

provided that said members cannot be replaced by the stand-in members elected by the General Meeting.

- e) Approval of the annual accounts (annual financial statements).
- 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, 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 of Directors 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 meets at the seat of the Company or in another municipality within the prefecture where the seat is located or in another municipality bordering the place of its seat at least once every fiscal year and within 6 months at the most from the end of that fiscal year. It may also meet within the boundaries of the municipality where the Athens Exchange has its registered offices.

The invitation for the General Meeting must include at least the data defined by article 26 of the Law 2190/1920 and is published as provided in Law 2190/1920. More specifically, the invitation for the General Meeting must include place and precise address, date and time of the meeting, the items on the agenda clearly stated, the shareholders entitled to take part, and precise instructions about how shareholders can take part in the meeting and exercise their rights in person or via a representative, including the forms that the Company is utilizing for that purpose.

The minimum information which should be stated in the invitation also includes information about the minority rights and the time period in such minority rights can be exercised, the record date with an indication that only shareholders on the record date can attend and vote at the General Meeting, a notice of 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, and a reference to the Company's website where all the above information is available, and the forms which must be used when shareholders vote via a representative.

The invitation for the General Meeting must be published in full or in summary format (which must necessarily include an express reference to the website where the full text of the invitation and information required by Article 27(3) of Codified Law 2190/1920 is available) in the publications specified in Article 26(2) of Codified Law 2190/1920, in the Societes Anonyme and Limited Liability Companies Bulletin of the Government Gazette and on the ATHEX and Company websites at least 20 days before the date of the meeting.

The full text of the invitation must also be 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 Meeting.

To take part, holders of shares must have been shareholders at the start of the fifth day before the date of the General Meeting (Record date).

Such persons can demonstrate that they are shareholders by submitting a written certificate from Hellenic Exchanges S.A. or, in the alternative, by the Company connecting online to the files and records of Hellenic Exchanges S.A.

The written or online certificate proving that they are shareholders must be presented to the Company no later than the third day before the date of the General Meeting.

Other than that requirement, exercise of the right to participate in the General Meeting does not require shareholders to block their shares or comply with any other formalities which limit the ability to sell or transfer their shares in the time period between the record date and the date of the General Meeting.

Shareholders or their representatives who have not complied with these formalities may only take part in the General Meeting with its permission.

Shareholders may attend the General Meetings either in person or through one or more representatives, whether shareholders or not. Each shareholder may appoint up to 3 representatives. However, if a shareholder holds shares in the Company which appear in more than one securities account, this limitation does not prevent the shareholder from appointing different representatives 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 the General Meeting by appointing up to 3 natural persons as their representatives.

Shareholder representatives can be appointed and removed in writing, such notice being sent to the Company in the same way, at least 3 days before the date set for the General Meeting.

The Company has made the forms, which must be filled out and sent by shareholders in order to appoint a representative, available on its website.

The Company's Articles of Association do not provide for shareholders' participation in the General Meeting and exercise voting rights remotely or by correspondence.

Shareholder representatives are obliged to inform the Company before the General Meeting starts about any information which shareholders should be aware of so that they can determine whether there is a risk of the representative serving interests other than their own interests.

Conflicts of interest may arise in cases where the representative:

- a. is a shareholder who controls the Company or is another 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 relative to the first degree of one of the natural persons referred to above.

#### Quorum – Majority

According to the law and the Articles of Association, the General Meeting has a quorum and is validly met on the items of the agenda when shareholders representing at least 1/5 of the paid up share capital are present or represented at the meeting.

If that quorum is not achieved at the first meeting, the Meeting will reconvene within 20 days from the date on which it was not possible to hold the meeting, and that meeting has a quorum and is validly met on the items on the initial agenda, irrespective of the percentage of the paid-up share capital represented at that meeting. In all the above cases, decisions of the General Meeting are taken by absolute majority of the votes represented at it.

By way of exception, in the case of decisions relating to a change in the Company's nationality; a change in the business object; an increase in shareholders' obligations; an increase in share capital not provided for by the Articles of Association in line with Article 13(1) and (2) of Codified Law 2190/1920 unless required by law or done by capitalising reserves; a reduction in share capital unless done in accordance with Article 16(6) of Codified Law 2190/1920; 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 in accordance with Article 13(1) hereof, and all other cases specified by law, the General Meeting has a quorum and is validly met on the items of the agenda when shareholders representing at least 2/3 of the paid up share capital are present or represented at the meeting. In all the above cases, decisions of the General Meeting are taken by 2/3 majority of the votes represented at it.

If that qualified quorum is not achieved, the General Meeting will be invited to convene and will reconvene within 20 days from the date on which the meeting could not take place, and will have a quorum and be validly met on the items on the initial agenda if at least 1/2 of the paid-up share capital is represented at it. If that quorum is not achieved, the General Meeting will be called and will convene again within 20 days and will have a quorum and be validly met on the items on the initial agenda when at least 1/5 of the paid-up share capital is represented at it.

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

No other invitation is required if the initial invitation specifies the place and time of any repeat meetings that might be held if a quorum is not achieved at the first meeting, provided that at least 10 days (meaning 10 full days) elapse between the meeting which was cancelled and the repeat meeting.

## **Shareholder's Rights**

### Right to attend General Meetings

As explained in detail above, shareholders are entitled to attend General Meetings in person or via representatives who may or may not be shareholders.

### Right to vote at General Meetings

Every share, apart from preferred shares to which no voting rights are attached, comes with a voting right.

### Rights of preferred shareholders

According to the decision of the Company's Ordinary General Meeting of Shareholders of 27.6.1990, which decided to increase the Company's share capital by issuing preferred shares without voting rights, the preferences granted to preferred shares without voting rights were as follows:

A. The right to receive the first dividend from the profits of each year before ordinary shareholders, and in the case where no dividend is distributed or a dividend lower than the first dividend is distributed in one or more years, to receive payment on that first dividend on a preferential and cumulative basis for those years from the profits generated in subsequent years. Holders of non-voting preferred shares are also entitled, on the same terms as holders of ordinary shares, to receive any additional dividend paid in any form.

It should be noted that following amendments to the provisions of Article 45(2) of Codified Law 2190/1920 on the profits of societies anonyme to be distributed, in accordance with Article 79(8) of Law 3604/2007, the obligation to distribute 6% of the paid-up share capital as the minimum mandatory first dividend was abolished, and it is now mandatory to distribute 35% of the net profits.

B. Preferential return of capital paid up by holders of non-voting preferred shares from the product of the liquidation of corporate assets in the event of the Company being wound up. Holders of non-voting preferred shares are entitled, on equal terms with the holders of ordinary shares, to a proportionally greater share in the product of liquidation of assets, if this product is greater than the total paid-up share capital.

### Priority rights

In any event of share capital increase, when that increase does not result from a contribution in kind or the issue of bonds with the right of conversion into shares, priority rights are granted on the entire new capital or bond issue to the Shareholders of the Company at the time of issue, proportionate to their holding in the existing share capital.

Where the Company's share capital is increased with shares from only one of the classes of shares the Company has issued, the priority right is granted to shareholders in the other class only after it is not exercised by shareholders in the class to which the new shares belong.

Pursuant to article 13(10) of Law 2190/1920, priority rights may be limited or abolished by decision of the General Meeting of Shareholders, requiring a special increased quorum and majority, pursuant to the provisions of Article 29(3) and (4) and Article 31(2) of Law 2190/1920.

### Right to receive a copy of the financial statements and reports of the BoD and Auditors

Ten (10) days prior to the Ordinary General Meeting, each shareholder may request the annual Financial Statements and relevant reports of the Board of Directors and Auditors from the Company.

### Minority rights

Following an application submitted by any Shareholder to the Company within at least 5 full days prior to the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with the requested specific information on the Company's affairs, to the extent that it may be useful for the actual assessment of the items on the agenda. The Board of Directors may provide a single response to shareholder requests relating to the same matter. The obligation to provide information does not exist when the information requested 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 on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920.

### At the request of Shareholders representing 1/20 of the paid-up share capital:

A. The Board of Directors shall be obliged to convene an Extraordinary General Meeting within a time period of 45 days from the date of service of the relevant request on the Chairman of the Board of Directors. This application must contain the items on the agenda of the requested Meeting. Where the General Meeting is not convened by the Board of Directors within 20 days from service of the request, it shall be convened by the applicant shareholders at the Company's expense by decision of the Single-Member Court of First Instance at the seat of the Company, which decision shall be issued in line with the injunctive relief procedure. This decision shall state the time and place of the meeting and the items on the agenda.

B. The Board of Directors shall be obliged to enter additional items on the agenda of the General Meeting that has already been convened, provided that it receives the relevant request within at least 15 days prior to the General Meeting. The additional items shall be published or notified by the Board of Directors at least 7 days before the General Meeting. That request to have additional items included in the agenda shall be accompanied by the reasons for such inclusion or a draft decision for approval by the General Meeting and the revised agenda shall be published in the same manner as the previous agenda, 13 days before the date of the General Meeting, and shall also be made available to shareholders on the Company's website, along with the reasoning or draft decision submitted by the shareholders.

C. At least 6 days before the date of the General Meeting the Board of Directors is obliged to provide shareholders with drafts of decisions on the items which have been included in the initial or revised agenda, by uploading the same on the Company's website, if a request to that effect is received by the Board of Directors at least 7 days before the date of the General Meeting.

Board of Directors is not obliged to include items in the agenda or publish or disclose them along with the reasoning and drafts

of decisions submitted to shareholders in accordance with the aforementioned two sections if the content thereof is clearly in conflict with the law and morals.

D. The Chairman of the General Meeting shall be obliged – only once – to postpone the making of decisions by the General Meeting, whether ordinary or extraordinary, on all or certain items, setting the date of continuation of the session at that which is stipulated in the relevant application, which cannot however be more than 30 days following the date of postponement. A postponed General Meeting which reconvenes shall be deemed a continuation of the previous one and for this reason no repetition of the publication requirements shall be required, and new shareholders may also participate provided that they comply with the obligations for participation in the General Meeting.

E. The Board of Directors shall be obliged to announce to the Ordinary General Meeting the amounts that have in the last two-year period been paid to each member of the Board of Directors or to the Company directors, as well as any benefits granted to these persons due to any reason or contract concluded between them and the Company. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be decided by the Single-Member Court of First Instance at the company's seat.

F. Decisions on any item on the agenda of the General Meeting must be taken by a call of names.

G. In addition, shareholders representing 1/20 of the paid-up share capital are entitled to request that the Single-Member Court of First Instance at the Company's seat audit the Company in the manner specified in Article 40 of Codified Law 2190/1920. In any event, the request for an audit must be submitted within 3 years from the approval of the financial statements of the fiscal year in which the contested transactions were effected.

Following an application made by Shareholders representing 1/5 of the paid-up share capital, which shall be submitted to the Company at least 5 full days prior to the General Meeting, the Board of Directors shall be obliged to provide the General Meeting with 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 on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Article 18(3) or (6) of Law 2190/1920, where the relevant members of the Board of Directors have taken adequate cognisance of these matters. Any doubts about the validity or otherwise of the reasons for refusal to provide information may be decided by the Single-Member Court of First Instance at the Company's seat.

In all the above cases where rights are exercised, the applicant shareholders are obliged to demonstrate that they are in fact shareholders, and the number of shares they hold, when exercising their right. A certificate from Hellenic Exchanges S.A. or confirmation that they are shareholders by means of the online connection between HELEX and the Company constitute evidence for this.

Moreover, shareholders representing 1/5 of the paid-up share capital shall be entitled to request an audit of the Company from the Single-Member Court of First Instance, which has jurisdiction over the area of the Company's registered offices, 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 laid down in Article 40 of Codified Law 2190/1920.

#### Right to dividends:

According to the Articles of Association, the minimum mandatory dividend to be distributed each year by the Company is equal to the minimum mandatory dividend specified by law (Article 45 of Codified 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.

Dividends must be paid within 2 months from the date of the Ordinary General Meeting of Shareholders approving the Company's annual financial statements.

The place and method of payment is announced in notices published in the press, the Daily Price Bulletin and both the ATHEX and Company websites.

Dividends which remain unclaimed for a period of five years from the date on which they become payable may not be claimed and are forfeited to the State.

#### Right to the product of liquidation:

On completion of the liquidation, the liquidators return the contributions of the Shareholders in accordance with the Articles of Association and distribute to them the balance from the liquidation of the Company's assets in proportion to their share in the paid-up share capital of the Company.

#### Shareholders' liability:

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

#### Exclusive Jurisdiction of the Courts – Applicable Law:

Each Shareholder, regardless of where he or she resides, is – in dealings with the Company – deemed to have the location of the registered offices of the Company as his/her legal place of residence, and is subject to Greek Law. Any dispute between the Company and the Shareholders or any third party is to be resolved by recourse to the Ordinary Courts; legal actions may be brought against the Company only before the Courts of Athens.

## Shareholder Information and Services

Shareholder relations and the provision of information to shareholders have been assigned to the following departments:

#### Investor Relations Department

The Investor Relations Department is responsible for monitoring Company relations with its Shareholders and investors, and for ensuring that information is provided to investors and financial analysts in Greece and abroad on an equal footing in good time and that such information is up-to-date. The aim here is to generate long-term relationships with the investment community and retain the high level of trust that investors have in the Group.

The Group Investor Relations Manager is Mr. Takis Canellopoulos, 22a Halkidos St., GR-11143, Athens tel: 0030 210-2591163, fax: 0030 210-2591106, e-mail: [ir@titan.gr](mailto:ir@titan.gr).

#### Shareholder Services Department

This Department is responsible for providing immediate, at-arms-length information to shareholders and for facilitating them when exercising the rights granted to them by the law and Articles of Association of the Company.

The Shareholder Services Department and the Corporate Announcements Department are run by Ms. Nitsa Kalesi, 22a Halkidos St., GR-11143, Athens, tel: 0030 210-2591257, fax: 0030 210-2591238, e-mail: [kalesin@titan.gr](mailto:kalesin@titan.gr).

#### Corporate Announcements Department

This Department is responsible for communications between the Company and the Hellenic Capital Market Commission and the Athens Exchange, Company compliance with the obligations set forth in Laws 3340/2005 and 3556/2007, compliance with the relevant decisions of the Hellenic Capital Market Commission and for sending published Company reports to all competent authorities and the media.

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.

## FINANCIAL CALENDAR 2012

March 1, 2012	Full Year Results 2011
May 3, 2012	3 Months 2012
June 8, 2012	Annual General Meeting of Shareholders
August 29, 2012	Half Year Results 2012
November 12, 2012	9 Months Results 2012

## VIII. Reference to derogations from the Corporate Governance Code

In accordance with Article 2 of Law 3873/2010, the Board of Directors declares that the Company complies with the provisions of the UK Code on Corporate Governance save for the following derogations:

A. The official letter sent to the independent members of the Board of Directors after their election by the General Meeting on 18.5.2010 did not set out their expected time commitment for their performance of their duties (Section B.3.2 of the Code). It was not considered necessary to make an express reference to this because, to date, independent members have always devoted the necessary time in order to perform their duties. Hereinafter, where non executive members of the Board are elected, the Company does intend to apply the practice referred to in Section B.3.2 of the Code.

B. For the time being the Board of Directors does not consider it necessary to have the evaluation of the Board externally facilitated every three years (Section B.6.2. of the Code). The Board is of the view that evaluation of the Board's performance by its members and self-assessment of the individual performance of each member is strict and complete and contributes to improved performance of the Board of Directors and its members.

C. The Company does not implement the practice referred to in Section B.1.1. of the Code, whereby independent members of the Board of Directors should not serve for more than 9 years from the date they were first elected. As explained in detail in the paragraph relating to the independent members of the Board of Directors in Section III of this Statement, two of the Board's independent members elected by the General Meeting on 18.5.2010 with a tenure until the Ordinary General Meeting of 2013, do meet the independence conditions laid down in Article 3(1) of Law 3016/2002 but are currently in their eleventh year on the Board of Directors since they were first elected as members of the Board of Directors by the General Meeting of Shareholders in 2001. However, and despite their long tenure in the Board, both the aforementioned directors retain absolute independence in their way of thinking, character and judgment and, as a result, the Board of Directors believes that they are indeed independent members. Notwithstanding the above, it should be noted that the Board of Directors has resolved that starting from the election of the next Board the independent, non-executive Board members will not be able to serve for more than 3 terms in office (or a maximum of 9 years). Today, the maximum limit is 4 terms in office (or 12 years).

D. The practice referred to in Section B.7.1 of the Code which requires that all Board members of FTSE 350 companies and non-executive members who have served for more than 9 years should be subjected to annual re-election by the General Meeting is not applied.

The main reason for this derogation is that the Company's Articles of Association provide that all members of the Board of Directors are elected by the General Meeting to serve for a three-year term in office. It should be also noted that the Greek law allows the Board members to be elected for tenure up to six years.

Moreover, the Greek Law (article 39 of Law 2190/1920) provides that shareholders representing 1/20 of the paid-up share capi-

tal are entitled to request the entering on the agenda of a General Meeting already convened of additional items, including, therefore, the election of a new Board of Directors. For the taking of a relevant resolution, it is required the ordinary quorum of 1/5 of the paid up share capital and absolute majority of the votes represented at the General Meeting.

It should be further pointed out that according to the law and the articles of association of the Company, in case a member of the Board is elected by the Board of Directors to replace another member who resigned, passed away or was removed from office on other grounds, that decision must be disclosed to the next General Meeting and that said General Meeting is entitled to vote against the person elected and have this person replaced with another. The same as above is the case if the BoD elects another member to replace an independent member who had resigned or passed away. In addition to that, if the member resigned, passed away or removed on other grounds was independent, the member elected in the position of the aforementioned person must also be independent.

Moreover, the Board of Directors decides each year whether the independent members of the Board elected by the General Meeting meet all the independence criteria laid down by Greek law, the Code and the Company, and inserts a statement to that effect into its Corporate Governance Statement

E. Although the provisions of the Code do not require detailed information about the individual remuneration paid to each member of the Board of Directors, nor is it mandatory under the relevant Greek legislation on societies anonyme, in the paragraph entitled "Remuneration of Board of Directors members" the Company has set out information relating to the remuneration paid to members of the Board of Directors and its Committees in 2011 after preliminary approval given by the General Meeting on 15.6.2011, and has also provided information about the total remuneration paid to executive members of the Board of Directors. The Company has also set out information relating to the remuneration received by two executive members of the Board of Directors of the Company for their participation as independent directors in the Board of Directors of other companies listed in the Athens Exchange.

## IX. Going Concern

The Board of Directors declares that the TITAN Company and Group have adequate resources to ensure continued operations as a going concern for the foreseeable future.