



**TITAN CEMENT COMPANY S.A.**

**DRAFT DECISIONS ON THE ITEMS OF THE AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 20.06.2014**

**ITEM 1: Submission for approval of the Annual Financial Statements (parent company's and consolidated accounts) for the year 2013, along with the related reports of the Board of Directors and the Auditors**

**Required quorum: 1/5 (20%) of the Company's paid up share capital  
Required majority: 50% +1 of the votes represented in the Meeting**

The General Meeting is called to approve the Annual Financial Statements (parent company and consolidated financial statements) for the financial year 2013, the Annual Report of the Board of Directors for the financial year 2013, the Explanatory Report of the Board of Directors pursuant to Article 4, paragraph 7 of Law 3556/2007 and the Certified Auditor's Report.

The aforesaid reports are available on the Company's website at <http://www.titan-cement.com>

**ITEM 2: Distribution of extraordinary reserves of a total amount of 8,463,252.80 euros**

**Required quorum: 1/5 (20%) of the Company's paid up share capital  
Required majority: 50% +1 of the votes represented in the Meeting**

The General Meeting is called to approve the distribution of extraordinary reserves from previous financial years, which have already been taxed, of a total amount of 8.463.252, 80 euros, i.e. €0, 10 per share.

More specifically, the Board proposes the distribution of:

- a. the extraordinary reserve of the amount of 5,393,807.78 euros, in accordance with article 23a of Law 1892/90 granting incentives for investments, as such article was inserted to Law 1892/90 by article 2 of Law 2234/1994. This reserve has already been taxed and the relevant tax has been paid by the Company in accordance with the provisions of L. 2238/1994;
- b. the extraordinary reserve of the amount of 1.236.096,85 euros, in accordance with article 23b of Law 1892/90 granting incentives for investments, as such article was inserted to Law 1892/90 by article 2 of Law 2234/1994. This reserve has already been taxed and the relevant tax has been paid by the Company in accordance with the provisions of L. 2238/1994;
- c. the extraordinary reserve of the amount of 1,720,322.82, in accordance with article 5, paragraph 1, of Law 1892/90 granting incentives for investments in decline



areas. This reserve has already been taxed and the relevant tax has been paid by the Company in accordance with the provisions of L. 2238/1994;

d. part of the extraordinary reserves from the profits of previous financial years of the amount of 113,025.35 euros. This reserve has already been taxed and the relevant tax has been paid by the Company in accordance with the provisions of L. 2238/1994;

In light of the above, the amount allocated to each share (i.e. €0, 10 per share) is subject to a 10% withholding tax on behalf of every shareholder, therefore the net amount that will be distributed is €0,09 per share.

- (a) Cut-off date (i.e. the date from which the Company's shares will be traded on the Athens Exchange without the right to receive the reserve distribution) is proposed to be **Wednesday, 25<sup>th</sup> June 2014**.
- (b) Record Date (i.e. the date when whoever is registered as the Company's shareholder in the electronic registry of the Dematerialized Securities System will be a beneficiary of the aforesaid reserve distribution) is proposed to be **Friday, 27<sup>th</sup> June 2014**.
- (c) Payment date (i.e. the date when the reserve distribution will commence) is proposed to be **Thursday, 3<sup>rd</sup> July 2014**.

Finally, the General Meeting is called to appoint "ALPHA BANK" as the payer bank and to authorize the Board to take all necessary steps to implement this decision.

**ITEM 3: Discharge of the members of the Board of Directors and the Auditors from any liability for damages arising out or in the course of their duties for the financial year 2013**

**Required quorum: 1/5 (20%) of the Company's share capital paid up  
Required majority: 50% +1 of the votes represented in the Meeting**

The General Meeting is called to approve, in accordance with Article 35 of the Codified Law 2190/1920, the discharge of the members of the Board of Directors and the Certified Auditors, who audited the financial statements for the financial year 2013 from any liability for compensation in relation to their actions during financial year 2013.

Please note that the members of the Board of Directors and the Company's employees are entitled to participate in the relevant voting procedure only with the shares they own or, provided that they have received a relevant authorization with express and specific instructions, as representatives of other shareholders.

**ITEM 4: Approval of the remuneration of the members of the Board of Directors for the year 2013 in accordance with article 24, paragraph 2, of Law 2190/1920 and pre-approval of their remuneration for the year 2014**

**Required quorum: 1/5 (20%) of the Company's share capital paid up  
Required majority: 50% +1 of the votes represented in the Meeting**

The General Meeting is called to approve, in accordance with Article 24, paragraph 2 of Codified Law 2190/1920, the remunerations paid to the members of the Board of Directors for their participation in the Board and its Committees during the financial year 2013.

More specifically, the pre-approved by last year's Annual General Meeting dated 14.6.2013 remunerations amounted to the total gross amount of €28,320 plus stamp duty, according to the law, and were paid as follows:

- a. Total Gross Amount of €59,200 was paid as remuneration for the participation of 15 members on the Board of Directors (i.e. gross amount of €7,280 per member);
- b. Total Gross Amount of €34,560 was paid for the participation of 3 members of the Board of Directors in the Audit Committee (i.e. gross amount of €11,520 per member).
- c. Total Gross Amount of €17,280 was paid for the participation of 3 members of the Board of Directors in the Remuneration Committee (i.e. gross amount of €5.760 per member).
- d. Total Gross Amount of €17,280 was paid for the participation of 3 members of the Board of Directors in the Nomination and Corporate Governance Committee (i.e. gross amount of €5.760 per member).

Moreover, an additional gross compensation of €135,000 (plus stamp duty) was paid to the executive member of the Board of Directors, Mr Efthymios Vidalis, due to the increased duties that he had on the Board of Directors, mainly in the fields of strategy and sustainable development.

The General Meeting is also called to pre-approve the following gross remunerations of the members of the Board of Directors for their participation in the Board and in the above Committees for the year 2014:

- i. a gross amount of €24,000 to each member of the Board of Directors for his/her participation on the Board;
- ii. a gross amount of €20,000 to the Chairman of the Audit Committee and a gross amount of €16,000 to each member of the Committee;
- iii. a gross amount of €10,000 to the Chairman of the Remuneration Committee and a gross amount of €8,000 to each member of the Committee;
- iv. a gross amount of €10,000 to the Chairman of Nomination and Corporate Governance Committee and a gross amount of €8,000 to each member of the Committee.

The General Meeting is also called to pre-approve the payment of an additional gross compensation of €135,000 (plus stamp duty) to Mr Efthymios Vidalis, who in 2014 will continue to have increased duties on the Board of Directors mainly in the areas of sustainable development and the general Company's strategy.

**ITEM 5: Election of regular and substitute Chartered Auditors for the year 2014 and approval of their remuneration**

The General Meeting is called to elect the below-mentioned chartered auditors of the Audit Company "Ernst & Young (Hellas) Certified Auditors Accountants S.A." for



the audit of the Company's Financial Statements for the financial year 2014, namely:  
a. Mr. Christos Pelentridis son of Anastasios (Reg.no. 17831) as a regular auditor and  
b. Mr. Panagiotis Papazoglou son of Ioannis-Konstantinos, as a substitute auditor (Reg.no. 16631).

Furthermore, the General Meeting is called to determine the remuneration of the aforesaid Certified Auditors for the audit of the Financial Statements of the Company for the year 2014 which is recommended to be up to the amount of €107,000 plus VAT and their remuneration for the audit of the Consolidated Financial Statements for the financial year 2014 which is recommended to be up to the amount of €107,000 plus VAT.

The General Meeting is also called to approve the payment of an additional amount of up to €73,000 plus VAT to the abovementioned Certified Auditors for conducting an audit with regard to compliance of the Company with the tax legislation and the issuance of the tax compliance certificate for the financial year 2014, in accordance with Article 82, paragraph 5, of Law 2238/1994 (Income Tax Code). It should be noted that the appointment of the same auditors for both tax audit and statutory audit is compulsory pursuant to the aforementioned statute, i.e. Law 2238/1994 (Article 82, paragraph 5).

Please also note that the total amount to be paid to the Audit Company "Ernst & Young (Hellas) Certified Auditors Accountants S.A." for the statutory audit of the other Group subsidiaries in Greece for the financial year 2014 is estimated to be €126,000 plus VAT and for their tax audit €79,000 plus VAT. In 2014, the total Group cost for the statutory audit of all Group companies worldwide (including the abovementioned statutory and tax audit of the parent Company and the Greek subsidiaries) under the current exchange rates is estimated to be €1,140,291 in comparison to the amount of €1,191,375 paid in 2013.

As it was stated in the Corporate Governance Statement for the financial year of 2013, the total Group cost for the additional audit related works assigned to ERNST and YOUNG in 2013 represented 7.24 % of the total statutory audit of the Company and most of the Group's subsidiaries in the world including the tax audit of the Company and its Greek subsidiaries.

**ITEM 6: Grant of approval for the share buy-back of the Company's own common and preferred shares in accordance with article 16, paragraph 1, of Law 2190/1920**

**Required quorum: 1/5 (20%) of the Company's share capital paid up**  
**Required majority: 50% +1 of the votes represented in the Meeting**

The Board of Directors recommends to the General Assembly to authorize the purchase of the Company's own ordinary and preferred shares pursuant to the provisions of article 16 par.1 of Codified Law 2190/1920.



More specifically, the Company shall be empowered to directly or indirectly acquire its own shares, within a period of twenty four months, as provided by the law, i.e. from **21.6.2014** until **20.06.2016** and up to one tenth of its paid up share capital, including the Company's own shares that it has already acquired and maintains, at a maximum price of 40 euro per share and at a minimum price equal to the nominal value of the share, i.e. 4 euro per share and provided that these purchases will be deemed to be more attractive compared to other available investment opportunities and that the Company's available funds are sufficient.

**ITEM 7: Grant of authorization, in accordance with article 23, paragraph 1, of Law 2190/1920, to the members of the Board of Directors and the Company's managers to participate in the Board of Directors or in the management of other companies of the Titan Group that pursue the same or similar purposes.**

**Required quorum: 1/5 (20%) of the Company's share capital paid up  
Required majority: 50% +1 of the votes represented in the Meeting**

The General Meeting is called to authorize pursuant to Article 23, paragraph 1, of Codified Law 2190/1920 the members of the Company's Board of Directors and its managers to participate in the Board of Directors and/or in the management of other companies of the Group, which are pursuing the same or similar objectives as of those pursued by the Company.

**ITEM 8: Adoption of a new Stock Option Plan providing options to the executive members of the Board of Directors and the employees of the Company and its affiliated companies in accordance with article 13, paragraph 13, of Law 2190/1920 and grant of authorization to the Board of Directors to identify the beneficiaries and determine the manner of exercising the options and other terms of the plan**

**Required quorum: 2/3 of the Company's paid up share capital  
Required majority: 2/3 of the votes represented in the Meeting**

**In the event of an A' Repeat General Meeting, the required quorum is 1 /2 of the Company's paid up share capital, whilst in a B' Repeat General Meeting the required quorum is 1/5 of the Company's paid up share capital.**

By way of encouraging senior executives to align their personal long-term goals with the interests of the Group and its shareholders, the establishment and implementation of a three year (2014-2016) Stock Option Plan is proposed to the General Meeting, in accordance with article 13, paragraph 13, of Law 2190/1920 with the following key terms:

1. The maximum number of Company shares that can be acquired by the Plan's beneficiaries, provided that the requirements of the Plan are fulfilled, will be one million (1.000.000) common shares.
2. The exercise price for every common share is proposed to be ten (10) euros.

3. The Company's own shares acquired in accordance with Art. 16 of Law 2190/1920 will be used for the exercise of the stock option rights of the beneficiaries.
4. The beneficiaries of the Stock Option Plan are proposed to be the executive members of the Board of Directors of the Company, the managers of the Company who are in E, D, 1 and 2 grades, as stipulated by the Company's Job Evaluation System and the employees who have the same rank in affiliated companies, inside and outside Greece. It is also proposed that option rights may be granted to a limited number of other employees who stand out on a continuous basis for their good performance and have a high potential for advancement. Based on our current estimations, approximately 110 beneficiaries will participate in the Plan.
5. The maximum number of stock option rights to be granted to each beneficiary shall be determined, for the executive members of the Board of Directors and for the E grade employees who report directly to the CEO by the Board of Directors after the recommendation of the Remuneration Committee and for the rest of the employees, after the recommendation of the CEO, depending on:
  - a. the significance of their role in accordance with the applicable Job Evaluation System;
  - b. their performance based on the applicable Performance Improvement Process;
  - c. their potential for advancement based on the applicable People Development Review and
  - d. the amount of their fixed salary.
6. The Board of Directors shall decide the stock option grants by the end of July of this year and in the first semester of the years 2015 and 2016 and shall deliver the relevant Stock Option Certificates to the beneficiaries.
7. The vesting period of the stock options which will be granted in 2014, 2015 and 2016 shall be three years. Therefore, the relevant option rights shall become mature in December of 2016, 2017 and 2018 respectively, provided that the beneficiaries are still employees of the Group. After the completion of the three-year vesting period, the final option rights number, which the beneficiaries will be entitled to exercise, shall be determined by the Board of Directors, within the first quarter of 2017, 2018 and 2019 and shall depend :
  - i. by 50% on the average three year ROACE compared to the target of each three year period, as this will be determined by the Board of Directors before granting the relevant option rights. The average ROACE is calculated as the arithmetic average of the ROACE ratio per year, starting from the year when the stock option rights were granted until the year of their maturity. The ROACE ratio of each year is calculated as Earnings Before Interest and Tax (EBIT) / Average Capital Employed (defined as equity plus banking or equivalent loans); and

- ii. by 50% on the overall performance of the Company's common share compared to the average overall performance of the shares of the following ten companies within the same sector (Peer Index):

- |                |                      |
|----------------|----------------------|
| 1. Lafarge     | 6. CRH               |
| 2. Holcim      | 7. Buzzi- Unicem     |
| 3. Cemex       | 8. Cementos Portland |
| 4. Heidelberg  | 9. Argos             |
| 5. Italcementi | 10. Vicat            |

Replacement companies:

Cementir

Intercement

Martin Marietta TXI

The overall performance of the Company's common share is defined as the percentage change in the average trading price of the share in December of the year before the stock option grants (starting price) and the average price of the share in December of the maturity year adding the sum of dividends per share for the same period (closing price).

The share performance of the aforementioned ten companies shall be calculated similarly.

8. Under the proposed Plan and subject to performance against: a. the average three year ROACE compared to the relevant target for the same period and b. the average overall three- year performance of the Company's common share compared to the average of the three year overall performance of the shares in the Peer Index, the beneficiaries shall be eligible to exercise part or their entire option rights accordingly.
9. After the determination by the Board of Directors within the month of March of the years 2017, 2018 and 2019 of the final number of mature stock options which each beneficiary will be entitled to exercise, the beneficiaries will be able to exercise these rights, in whole or in part, within the first five business days of each calendar month and until their expiration date i.e. December of the third year after the year they were finally determined by the Board of Directors.
10. The proposed Plan shall favour the long-term hold of a significant number of Company shares by the Group employees. Therefore, the Plan sets up a requirement of holding a minimum number of Company shares depending on the employee's rank.

The General Meeting is also called to authorize the Board of Directors to identify the beneficiaries of the Stock Option Plan and determine how the option rights will be exercised as well as any other details of the Plan.