

***CODE OF CORPORATE GOVERNANCE***

**TABLE OF CONTENTS**

<b>INTRODUCTION</b> .....	3
<b>GENERAL PRINCIPLES</b> .....	4
1. Role and powers of the BoD.....	4
2. Size and composition of BoD .....	4
3. The role of the Chairman of the BoD.....	4
4. Duties of BoD members .....	4
5. Nomination of BoD members.....	4
6. Operation of the BoD .....	5
7. Evaluation of the BoD .....	5
8. Internal Audit .....	5
9. Level and structure of remuneration.....	5
10. Communication with shareholders .....	5
11. The General Meeting of shareholders .....	5
<b>PART A’ – Collective bodies of the Company</b> .....	7
<b>I) Board of Directors</b> .....	7
1. Roles and powers of the Board of Directors .....	7
2. Composition .....	8
3. Meetings – Function of the Board of Directors.....	10
4. Duties of Board members .....	11
5. Evaluation of the Board of Directors.....	11
<b>II) Other Management and Supervisory Bodies</b> .....	13
1. Strategic Planning Committee .....	13
2. Executive Committee .....	13
3. Audit Committee.....	14
4. Nominations and Remunerations Committee .....	17
<b>PART B – Internal Audit</b> .....	18
<b>PART C – Remunerations Policy</b> .....	20
<b>PART D – Relations with Shareholders – Investors</b> .....	21
1. Communication with shareholders.....	21
2. General Meeting of shareholders .....	21

## INTRODUCTION

The objective of this Code of Corporate Governance is to record the best corporate governance practices applied by Marfin Investment Group Holdings SA by its own initiative and in accordance with applicable laws (Law 2190/1920, Law 2778/1999, Law 3016/2002, Law 3693/2008, Law 3884/2010, etc).

In drafting this Code, we took into consideration the Code of Corporate Governance for Listed Companies drafted on the initiative of the Hellenic Federation of Enterprises and completed in January 2011, the Code of Corporate Governance UK which was published in June 2010, the OECD Corporate Governance Principles published in 2004 and the generally accepted principles of corporate governance applicable in EU member states.

The main objectives of this Code are the following:

- adoption of the optimum corporate governance practices to be applied by a current-day company;
- improvement of information provided to private and institutional shareholders;
- compliance of the Company with the requirements of the law 3873/2010, which incorporated in the Greek legal system Directive 2006/46/EC of the European Parliament.

According to OECD Corporate Governance Principles, corporate governance is structured as a system of relationships between a company's Management, the Board of Directors (BoD), its shareholders and other stakeholders; it constitutes the structure through which the company's targets are approached and set, the main risks in the course of the company's operation are identified, the means for reaching the company's goals are determined, the risk management system is organized and the supervision of the Management's performance in applying all the above becomes possible.

This Code will constitute the framework of reference on which the corporate governance statement will be based, which according to Law 3873/2010 now forms a special part of the annual BoD management report.

The corporate governance statement must make reference to the specific code of corporate governance applied by the company and, to the extent that the company decides to derogate from certain parts of that Code or to refrain from certain provisions, justifying such derogation or refraining.

## **GENERAL PRINCIPLES**

### ***1. Role and powers of the BoD***

The BoD must exercise its leadership and direct the company's affairs for the benefit of the company and its shareholders, ensuring that the Management observes the corporate strategies. It must further ensure the fair and equal treatment of all shareholders, including minority and foreign shareholders.

In performing its tasks, the BoD must take into consideration parties whose interests are related to those of the company, such as employees and social groups directly affected by the company's operation.

### ***2. Size and composition of BoD***

The size and composition of the BoD should allow it to efficiently exercise its powers and should reflect the size, the activity and the ownership of the company. The BoD should be characterized by a high level of integrity and possess a variety of knowledge, qualifications and experience, corresponding to the company's objectives.

### ***3. The role of the Chairman of the BoD***

The Chairman presides over the BoD. His powers include determining the agenda, ensuring the proper organization of BoD operations and effectively conducting its meetings. It is also the Chairman's responsibility to ensure the prompt and correct provision of information to BoD members, and to effectively communicate with all shareholders in accordance with the fair and equal treatment principle.

### ***4. Duties of BoD members***

Every BoD member has an obligation of loyalty towards the company. BoD members must act with integrity in favor of the company's interests and safeguard the confidentiality of non-publicly available information. BoD members should not be in a competition relation towards the company and should avoid any position or activity creating or appearing to create conflict between their personal interests and those of the company, including positions in the BoD or in the Management of competitive companies, without permission of the General Meeting. BoD members must contribute their experience and devote the necessary time and attention to their duties. They must also limit all other professional commitments (especially participation in the Board of Directors of other companies) only to the extent required for ensuring their satisfactory performance as BoD members. Finally, BoD members must strive to attend all BoD meetings as well as the meetings of any committees in which they are members.

### ***5. Nomination of BoD members***

The nomination of BoD members must be made under meritocracy and objective criteria. The BoD shall ensure the smooth succession of its members and chief executive officers, aiming at the long-term success of the business.

## ***6. Operation of the BoD***

The BoD shall meet as frequently as required for efficiently carrying out its duties. The information provided to the BoD by the Management and Committees, as the case may be, must be promptly given to enable it to fulfill its duties efficiently.

## ***7. Evaluation of the BoD***

The BoD must regularly evaluate its own efficiency in carrying out its tasks, as well as the efficiency of its Committees.

## ***8. Internal Audit***

The BoD must present to shareholders and the public a clear evaluation of the actual position and prospects of the company, and ensure the reliability of the financial statements and the accuracy of notifications, where required.

The BoD must maintain an effective internal audit system for the purpose of safeguarding the company's assets, and identifying and dealing with the most significant risks. It must monitor the implementation of corporate strategy and review same periodically. It must also regularly review the main risks faced by the undertaking and the efficiency of the internal audit system as regards the management of such risks. The review shall cover all essential audits, including compliance audit, as well as the audits of risk management systems. The BoD, through the Audit Committee, shall also develop direct and regular contact with external and internal auditors in order to receive regular information regarding the proper operation of the internal audit system.

## ***9. Level and structure of remuneration***

The level and structure of remuneration must be such as to attract and maintain BoD members, executive officers and employees in the company, who all add value to the company with their skills, knowledge and experience. The amount of their remuneration must be in accordance with their qualifications and contribution to the company. The BoD must have a clear picture of the manner in which the company remunerates its officers, particularly those adequately qualified to effectively manage the company. In this task, the BoD must be assisted by the Nominations and Remunerations Committee.

## ***10. Communication with shareholders***

The BoD should arrange for continuous and constructive dialogue with the company's shareholders, particularly those with significant holdings and long-term perspective.

## ***11. The General Meeting of shareholders***

The BoD must ensure that the preparation and holding of the General Meeting of shareholders enable shareholders to effectively exercise their rights, being completely

informed about all matters pertaining to their participation in the General Meeting, including the agenda, and their rights during the General Meeting. The BoD shall facilitate, within the frames of relevant statutory provisions, the participation of shareholders in the General Meeting, especially minority shareholders, foreign shareholders and those inhabiting isolated areas. The BoD must utilize the General Meeting of shareholders in order facilitate essential and open dialogue with the company.

**PART A' – Collective bodies of the Company**

**I) Board of Directors**

***1. Roles and powers of the Board of Directors***

- The Board of Directors manages and represents the company and is competent to decide on all matters pertaining to the administration of the company, the management of its assets and the general pursuit of its objects, except from those assigned exclusively to the General Meeting by virtue of the law or the Articles of Incorporation.
- The powers of the Board of Directors must be clearly defined in the Articles and/or in the Internal Regulation of Operations or other corporate documents.
- The powers of the Board of Directors may indicatively include the following:
  - approving the Company's long-term strategy and operating objectives;
  - approving the annual budget and business plan, and adopting decisions on major capital expenses, acquisitions and sales;
  - selecting and, where necessary, replacing the company's executive officers, and supervising the succession plan;
  - checking the performance of senior Management and adapting the senior officers' remuneration to the long-term interests of the company and its shareholders;
  - ensuring reliability of the financial statements and figures of the company, of financial information systems and information and figures which are subject to publication, as well as ensuring the efficiency of internal audit and risk management systems;
  - being alert as regards existing and potential conflicts of interest between the company on one hand and its Management, BoD members or major shareholders on the other (including shareholders with direct or indirect power to form or affect the composition and conduct of the BoD), and dealing with such conflicts accordingly; for that purpose, the BoD should adopt a monitoring procedure of transactions aiming at transparency and protection of corporate interests;
  - ensuring an effective regulatory compliance procedure for the company;
  - being responsible for the adoption of relevant decisions and monitoring the efficiency of the administration system of the company, including the procedures of decision-making and delegation of powers and tasks to other officers; and
  - formulation, dissemination and implementation of the main values and principles of the company governing its relations with all parties whose interests are linked with those of the company.
- The Board of Directors may, exclusively in writing, assign in whole or in part the exercise of its powers and competencies (except from those requiring collective action), as well as the representation of the company to one or more persons who may or may not be members of the Board, also determining the extent of such assignment. Such persons may further assign the exercise of the powers assigned

them in whole or in part to other Board members, Company employees or third parties, provided that there is a relevant provision in the BoD decision.

- In this context, the BoD may establish Committees consisting of BoD members and/or third parties for more efficiently supervising the Company's operations.
- Actions of the Board of Directors, even outside the scope of the company's object, are binding on the company towards third parties, except if it is proven that such party was or should be aware of the excess of the company's scope of activities. Compliance with the publication requirements as to the company's articles or its amendments alone does not constitute evidence.
- Restrictions of the powers of the Board of Directors by virtue of the articles or by decision of the General Meeting cannot be opposed towards third parties acting in good faith, even if the publication requirements in respect of said restrictions were complied with.

## **2. Composition**

- The size and composition of the BoD should allow it to efficiently exercise its powers and should reflect the size, the activity and the ownership of the undertaking. The BoD should be characterized by a high level of integrity and possess a variety of knowledge, qualifications and experience, corresponding to the company's objectives.
- The company is administered by a Board of Directors, the number of which shall vary from nine (9) to fifteen (15) members.
- The Board of Directors is appointed by the General Meeting of shareholders for five (5) years. The term of the members of the Board commences from the day following their election by the General Meeting and expires on the respective day of the year of expiration of their term, which shall be automatically extended until the first Ordinary General Meeting following the expiration of their term, without exceeding a six-year period.
- The members of the Board of Directors are re-eligible and can be freely revoked. Non-shareholders may also be appointed at the Board of Directors.
- A legal entity may be appointed as member of the Board of Directors. In such case, the legal entity shall appoint an individual to exercise the entity's powers arising from its capacity as Board member.
- Substitute members may be elected in the Board of Directors, the number of whom will be determined by the relevant decision of the General Meeting who elected them. Said members may only substitute, in accordance with the company's articles of incorporation, one or more members of the Board of Directors who resigned, passed away or were otherwise deprived of their capacity, as provided in the relevant decision of the General Meeting.
- Replacement of all members in a sole General Meeting should be avoided, and succession of Board members should be effected gradually.
- The names of Board members nominated for the first time or for re-election should be accompanied by sufficient curriculum vitae and by the Board's opinion regarding the independence of the nominated members in accordance with the



independence criteria of the Law, as well as any other relevant information which would assist the shareholders in making an informed decision.

- The BoD shall ensure the existence of familiarization schemes for new-coming BoD members (e.g. with obligations arising from their capacity as Board Members).
- Immediately upon its election, the Board of Directors meets for the purpose of its constitution in body, appointing the Chairman, up to two Vice-Chairmen and the Chief Executive Officer(s) and, possibly, one or more Deputy Chief Executive Officers. The capacity of Chairman or Vice-Chairman and Chief Executive Officer or Deputy Chief Executive Officer may coincide in the same person.
- The BoD consists of executive and non-executive members. The number of non-executive members should be at least 1/3 of the total number of members. In case of a fraction, same will be rounded to the next integer number.
- Among non-executive members there shall be at least two independent members or representatives of minority shareholders. Independent members are appointed by the General Meeting. If the BoD elects an interim member until the first General Meeting in substitution of another independent member who resigned or was otherwise forfeited, said member shall also be an independent one.
- Independent non-executive members must have no conflicts of interest with the company and should not be closely related to the Management, major shareholders or the company.
- Throughout their term of office, independent non-executive members are not allowed to hold more than 0.5% of the company's share capital, nor be in a dependent relation with the company or with individuals related with the company. The BoD shall determine whether a prospective BoD member satisfies the independency criteria prior to being nominated for election by the General Meeting of shareholders.
- For the purpose of determining the independency of prospective and existing members, the BoD should consider that there is a dependent relation when a member:
  - has a business or other business relation with the Company or any of its affiliates in the sense of article 42e paragraph 5 of codified law 2190/1920, which (relation) by nature affects its business activities, especially in case of a major supplier or client of the Company;
  - is Chairman of the Board of Directors or an executive officer of the Company, or holds the above capacities or is an executive member of the BoD of any of the company's affiliates in the sense of article 42e paragraph 5 of codified law 2190/1920, or is in a dependent labor or retainer relation with the Company or its affiliates;
  - is a relative up to second degree or spouse of an executive BoD member or executive officer or majority shareholder of the Company or its affiliates in the sense of article 42e paragraph 5 of codified law 2190/1920.
  - has been appointed in accordance with article 18 paragraph 3 of codified law 2190/1920.

- In case of lack of members (due to resignation, passing or otherwise), the Board of Directors may continue to manage and represent that Company without replacing the missing members, provided that the number of remaining members exceeds one half of the members as at the time prior to the occurrence of the event which led to disqualification and is in no case less than three (3).

### **3. Meetings – Function of the Board of Directors**

- The BoD shall meet as frequently as required for efficiently carrying out its duties. The information provided to the BoD by the Management and Committees, as the case may be, must be promptly given to enable it to fulfill its duties efficiently.
- The BoD shall adopt a calendar of its meetings, which may be reviewed according to the company's requirements, in order to ensure the appropriate, complete and prompt performance of its tasks.
- The meetings of the Board of Directors are presided over by its Chairman. In case of absence or impediment of the Chairman, same is substituted in the full extent of his powers by the Vice-Chairman and, if there are two Vice-Chairmen, by only one of them, by relevant decision of the Board. In case of absence or impediment of the latter too, the Chairman will be substituted by the Chief Executive Officer and, if more than one Chief Executive Officer have been appointed, the Chairman will be substituted as determined by decision of the Board of Directors. In case of absence or impediment of them too, the Chairman will be substituted by the Deputy Chief Executive Officer and, if more than one Deputy Chief Executive Officer have been appointed, the Chairman will be substituted as determined by decision of the Board of Directors. Finally, in case of absence or impediment of them too, the Chairman will be substituted by any other Board member appointed by the Board of Directors.
- The Board of Directors may also appoint its Secretary either among its members or independently.
- The Board of Directors may also hold its meeting by teleconference.
- The decisions of the Board of Directors are adopted by absolute majority of the present and represented members, except as explicitly provided in the articles
- The discussions and resolutions of the Board of Directors are recorded in minutes kept in a special book drawn and signed by the Directors present at the meeting. Any dissenting Director may request that their opinion be recorded in summary in the relevant minutes.
- The minutes of each Board meeting must be distributed and approved at the next meeting of the Board of Directors.
- The Board Members shall have the right to address to the Management through the Chief Executive Officer and ask for any information deemed necessary for the implementation of their duties at any time.
- The Board shall have the right to use independent advisors on the company's expenses, in case this is deemed necessary for the implementation of its duties. In this regard, the non executive members shall have the right to suggest towards the Chairman the appointment of specialised advisors.

#### **4. Duties of Board members**

- Every BoD member has an obligation of loyalty towards the company. BoD members must act with integrity in favor of the company's interests and safeguard the confidentiality of non-publicly available information.
- The Chairman presides over the BoD. His powers include determining the agenda, ensuring the proper organization of BoD operations and effectively conducting its meetings. It is also the Chairman's responsibility to ensure the prompt and correct provision of information to BoD members, and to effectively communicate with all shareholders in accordance with the fair and equal treatment principle.
- The members of the BoD are not allowed to pursue personal interests which are in conflict with the Company's interests, and are obliged to promptly disclose to the other members any personal interests which may arise from dealings of the Company or its affiliates.
- The Directors who participate in the Management of the company in any manner, and the company's managers are permitted to conduct activities included in the company's object by profession on their own behalf or on behalf of third parties, and to participate as general partners in companies pursuing the same objects as the company upon advising the Board of Directors of the company accordingly.
- Other professional commitments of BoD members (including important non-executive commitments in companies and non-profit foundations) shall be disclosed prior to their appointment in the BoD. Any changes regarding the aforementioned commitments shall be reported to the BoD as soon as they occur. Non-executive BoD members shall ensure at the time of their appointment that they have adequate time for performing their duties.
- Powers of executive members:
  - The Board of Directors appoints among its members, in accordance with the law and the Articles, its executive members who, apart from their statutory powers, will supervise the execution of BoD decisions and will monitor the Company's operations on a daily basis.
- Powers of non-executive members:
  - The Board of Directors appoints among its members, in accordance with the law and the Articles, its non-executive members who, apart from their statutory powers, will supervise the execution of BoD decisions and such issues and sectors of the Company as assigned to them by BoD decision.
  - The General Meeting shall appoint at least two of the non-executive members as independent members who may, if they consider it necessary, submit jointly or severally to the Ordinary or Extraordinary General Meeting reports and statements other than those of the Board of Directors.

#### **5. Evaluation of the Board of Directors**

The evaluation of the efficiency of the BoD and its committees must take place at least every two (2) years and should be based on a specific procedure. This procedure

must be led by the Chairman of the BoD and the chairman of each committee, while upon completion of the evaluation the Chairman shall take steps to deal with the deficiencies established.

## **ID Other Management and Supervisory Bodies**

### ***1. Strategic Planning Committee***

- The main purpose of the Strategic Planning Committee is to assist the Board of Directors in fulfilling its supervisory or decisive tasks. Therefore, the Committee refers to the Company's Board of Directors.
- The Committee consists of the Chairman of the Board of Directors of the Company, the members of the Executive Committee of the Company, the Chief Executive Officers of the companies DELTA, HYGEIA, ATTICA and SINGULARLOGIC and the Group Chief Legal Counsel. Chairman of the Committee is the Company's Chairman of the Board of Directors.
- The Committee meets regularly. The selection of meeting dates is affected by factors such as the periodicity of the Company's operations, the dates of BoD meetings and any extraordinary issues arising during the course of the operations.

The main tasks of the Strategic Planning Committee as defined by the Board of Directors' decisions are:

- monitoring on a regular basis and analyzing the strategic options of the Company, assigning to executives special missions for the success of the objectives and, when required, making a relevant recommendation to the Board of Directors of the Company.
- setting out the axes of the Business Plan within which the annual Budget is drawn up.
- recommending the above issues to be included in the agenda of the Board of Directors or the General Assembly of the Company.
- monitoring and making recommendations on any issue of strategic importance for the Group.
- In the event of a crisis, it has the responsibilities of a Crisis Management Committee and has the supervision and oversight of the Recovery Plan.

### ***2. Executive Committee***

- The role of the Executive Committee consists in continuously supervising all operations of the Company and the Group, in setting targets which shall form the basis for drafting the budgets of Group companies for achieving the strategic goals, and in monitoring the course of financial figures and results.
- The Committee consists of four to seven members appointed by the Board of Directors. The Chairman of the Committee is appointed by the Committee members or indicated by the BoD.
- The Committee meets at least once every two months. The selection of meeting dates is affected by factors such as the periodicity of the Company's operations, the dates of BoD meetings and any extraordinary issues arising during the course of operations.

The main powers of the Executive Committee include the following:

- Approval of investment acts pursuant to the Internal Regulation of Operations.
- Determination and communication of development targets of the operations for implementing the Company's and Group's strategic development. Targets will be set on an annual basis, in the month of November in respect of the year to follow.
- Periodic review of targets and potential modification of same according to the prevailing circumstances in the financial environment.
- Approval of annual budget and periodic monitoring of the course of implementation of the approved budget.
- Recommendation to the BoD of share capital increases of the Company or its subsidiaries, bond loan issues and profit distribution.
- Recommendation to the BoD of organizational changes in the Company upon recommendation by the Nominations and Remunerations Committee.
- The main duties and powers of the Executive Committee shall be defined in its Rules of Operation.

### **3. Audit Committee**

- The role of the Audit Committee consists in:
  - Informing the BoD of the Company about the findings of the statutory audit, and explaining its contribution to financial reporting and the role of the Committee in the relevant procedure.
  - Monitoring the statutory audit of the individual and consolidated financial statements, monitoring the drafting process of financial reports and submitting recommendations or proposals to ensure its integrity.
  - Monitoring the effectiveness of the internal audit system (IAS), of quality and risk management systems of the Company in relation to financial reporting.
  - Reviewing and monitoring the independence of the Chartered Accountants-Auditors and, in particular, the adequacy of the provision of non-audit services to the controlled entity pursuant to applicable laws.
  - Evaluating the annual audit schedule of the Internal Audit Department.
  - Submitting a proposal to the BoD regarding the appointment of the Chartered Accountants and
  - Overseeing the Company's compliance with applicable legal and regulatory requirements.
- The Committee consists of at least three members, independent in their majority in the sense of the provisions of Law 3016/2002. It is either an independent committee or a committee of the Board of Directors.
- The Committee consists of non-executive members of the BoD and of members elected by the general meeting of shareholders of the controlled entity.

- The Chairman of the Committee is appointed by its members or elected by the general meeting of shareholders, and is independent of the Company.
- The members of the audit committee must be adequately knowledgeable in the field of the Company's operations.
- At least one member of the Audit Committee must have sufficient knowledge in matters of accounting and auditing.
- The Committee meets at least every three months or whenever convened by its Chairman.

## **Duties - Responsibilities**

### **External Audit**

- The Committee is responsible for the process of selecting Chartered Accountants or audit firms, and submits proposals to the Board of Directors of the Company about appointing, renewing the appointment or revoking Chartered Accountants or audit firms, pursuant to the applicable laws.
- Reviews and monitors the independence of Chartered Accountants or audit firms pursuant to applicable laws, particularly the appropriateness of non-audit services.
- Is updated by the Chartered Accountants about the procedure and the time-schedule of completion of the statutory audit.
- Is updated by the Chartered Accountants about the annual statutory audit schedule before its implementation, evaluates the schedule and ensures that the audit will cover the major fields of audit, taking into consideration the main areas of business and financial risk of the Company.
- Monitors the procedure and performance of the statutory audit of the Company's individual and consolidated financial statements.
- The Committee communicates with the Chartered Accountants throughout the stage of audit planning, during its implementation and during the stage of preparation of the audit reports, and reviews all issues pertaining to the preparation of the audit report and supplementary report of the Chartered Accountants.
- Informs the Board of Directors about issues arising during the statutory audit, explaining:
  - The contribution of the statutory audit to the quality and integrity of financial reporting, notably to the accuracy, completeness and correctness of financial reporting approved by the Board of Directors and published, including the relevant notifications.
  - Its role in the above procedure, recording its actions during the performance of the statutory audit.

### **Financial reporting procedure**

- The Audit Committee is updated on the process and time-schedule of preparation of financial statements by the Management. To that effect, the committee meets with the Management / competent executive officers throughout the preparation of the financial statements.



- Monitors, reviews and evaluates the process of issuance of financial statements, notably the production mechanisms and systems, the flow and cascading of financial information. These actions include any published report relating to the financial information, regardless of the type of publication (e.g. stock exchange announcements, press releases etc.).
- Reviews the major issues and risks which may affect the Company's financial statements. Indicatively, the committee reviews and evaluates: the ongoing concern assumption, important assumptions and judgements during the preparation of the financial statements, the pricing of assets at fair value, the recoverability of assets, the accounting treatment of acquisitions, the adequacy of notices of considerable risks which may be facing the Company, any important transactions with affiliates, any important unusual transactions.
- The Committee reviews the financial reports prior to the Board of Directors' approval, evaluates their completeness and consistency in relation to the information brought to its attention and also in relation to the accounting principles implemented by the Company.
- It informs the Board of Directors of its conclusions and submits proposals for improvement, if considered expedient.

## **Internal Audit System**

- The Committee evaluates the adequacy and efficiency of the Company's Internal Audit System, notably the overall policies, procedures and safeguards of the Company as these are determined by the Company's corporate governance principles and internal regulation of operation.
- It is informed about the evaluation of adequacy and efficiency of the Group's companies' IAS.
- It informs the Board of Directors of its conclusions and submits proposals for improvement, if considered expedient.

## **Internal Audit Unit**

- The Audit Committee evaluates the human resources and organisational structure of the Internal Audit unit and, if considered expedient, submits proposals to the Board of Directors so as to ensure that the Internal Audit unit will have such means as necessary, will comprise of adequate human resources with adequate knowledge, experience and training, that there will be no restrictions to its tasks, and that it will be independent as required.
- The Committee takes knowledge of the work of the internal audit unit and its reports, and monitors the updates to the Board of Directors in relation to these reports, as far as the Company's financial reporting is concerned.
- Approves and periodically evaluates the annual internal audit schedule (and any relevant mid-term schemes).
- Periodically evaluates the Management's prompt response to the agreed resolution of the internal audit findings.
- Informs the Board of Directors of its conclusions and submits proposals for improvement, if considered expedient.



## **Risk Management**

- The Committee monitors, reviews and evaluates the Company's overall policies and procedures regarding the assessment and management of risk, focusing on anything concerning financial reporting.
- In this frame, it evaluates the methods used by the company to identify and monitor risks, to deal with the most important of these risks through the IAS and the Internal Audit unit, and to disclose them in the published financial reports in an appropriate manner.
- It receives and evaluates the submitted reports on risk management at company and Group level.
- It assigns external associates or subsidiary-affiliate companies to issue risk management reports if considered expedient.
- It informs the Board of Directors of its conclusions and submits proposals for improvement, if considered expedient.

## **Compliance Issues**

- The Board of Directors ensures that the Company complies with the laws and regulations governing its operation.
- It reviews the reports of audits conducted by Supervising Authorities, by external and internal auditors, and supervises the extent of the Company's compliance with such findings.
- It monitors cases of non-compliance and reviews corrective action taken by the Management.
- It informs and receives information from the Management, and co-operates with the Company's Legal Department concerning compliance issues.

## **4. Nominations and Remunerations Committee**

The main task of the Committee is to assist the Board of Directors in fulfilling its duties pertaining to issues of staff, remunerations and incentives.

- Its role is to report to the Board of Directors and consists in the following:
  - Evaluating needs concerning qualitative and quantitative composition of the Board of Directors and the Committees in accordance with the selection procedure referred to below.
  - Determining criteria for the selection of new Board members or senior executive officers.
  - Preparing a succession plan for the members of the BoD and Committees, the Chief Executive Officer, the General Manager and senior executive officers.
  - Submitting to the BoD reports on policies in matters of employments, remunerations and incentives.

- The Committee consists of three (3) members elected among non-executive members of the Board of Directors by the General Meeting of Shareholders.
- The Chairman of the Committee is elected by the Committee members or indicated by the General Meeting of Shareholders.
- The Committee meets at least once per year.

The main powers of the Nominations and Remunerations Committee are the following:

- To make recommendations to the Board of Directors, taking into consideration the approved policy, regarding the selection of new members of the BoD and Committees, Chief Executive Officer, General Manager and senior executive officers.
- To arrange for implementation of the policies, procedures and criteria approved by the BoD for the composition and selection of members of the BoD and Committees, as well as senior executive officers.
- To supervise the implementation of the succession plan approved by the BoD, and recommend any modifications thereto.
- To recommend to the BoD remunerations of non-executive BoD members, which must be in proportion to the time spent and the tasks assigned them.
- To make recommendations to the Board of Directors regarding the remuneration of the Managing Director, the General Manager and Senior Management, when they exceed the limit set by the Internal Rules of Operation of the Company.
- To supervise the implementation of the remunerations and incentives policy approved by the BoD.
- To establish procedures of employment and evaluation of the performance of the Company's executive officers in co-operation with the Human Resources Department.
- The main duties and powers of the Nominations and Remunerations Committee shall be defined in its Rules of Operation.

## **PART B – Internal Audit**

- The BoD shall have in place an efficient internal audit system, for the purpose of safeguarding the company's investments and assets and identifying the main risks.
- The internal audit system is defined as the total procedures implemented by the BoD, the Management and the company's employees for the purpose of ensuring the effectiveness and efficiency of the company's operations, the reliability of financial reporting and the compliance with applicable laws and regulations.
- The BoD shall monitor the implementation of corporate strategy and review it regularly. At the same time, it should regularly review the main risks of the undertaking and the efficiency of the internal audit system in dealing with such risks. The review should cover all essential audits, including financial and operational audits, compliance audits as well as risk management audits. The BoD, through the Audit Committee (referred to in part A of this code) must also develop direct and regular contact with the ordinary auditors in order to receive information regarding the proper operation of the audit system.

- The BoD shall confirm by a written statement that the annual and interim financial statements reflect the company's financial condition in an objective manner. This statement is accompanied by a respective statement from the company's auditors.
- As part of monitoring the efficiency of the internal audit system, the BoD establishes an internal audit unit in accordance with the requirements of Greek law, operating under written regulation of operation. The internal audit unit is independent from the other business units and, when carrying out its tasks, it has access to any document, service or employee of the company and reports to the BoD's Audit Committee.
- The BoD, supported by the Audit Committee, shall carry out an annual evaluation of the internal audit system. The evaluation shall comprise a review of the extent of activities and efficiency of the internal audit unit, the sufficiency of risk management and internal audit reports to the Audit Committee, and the response and efficiency of the Management as regards specific faults or failures in the internal audit system. The BoD shall state in the corporate governance statement that it has reviewed the main risks faced by the undertaking, as well as the internal audit system.

**PART C – Remunerations Policy**

- The process of fixing remunerations must be characterized by objectivity, transparency and professionalism and should be without conflicts of interest. For that purpose, this process is assigned to the Nominations and Remunerations Committee of the BoD (referred to in part A of this code), which mostly consists of non-executive members.
- The criteria considered when determining the remuneration of BoD members, executive officers and other employees of the company should be creating long-term corporate value, promoting meritocracy and achieving a balance between their short-term and long-term performance. In this manner, the company is able to attract and maintain adequately qualified and skilled officers.
- The main responsibility of the BoD regarding the remuneration of its members consists in determining the remunerations of executive and non-executive members. In particular:
  - as regards the executive BoD members, their remuneration should be related to corporate strategy, the company's objectives and their attainment, for the final purpose of creating long-term value in the company.
  - as regards non-executive members, their remuneration should reflect the time of their occupation and their authorities.
  - the remuneration of non-executive members should not be directly dependent upon the company's performance, so as not to discourage challenging the Management concerning issues of undertaking increased business risks.
- The remunerations of executive BoD members are pre-approved by the BoD upon recommendation by the Nominations and Remunerations Committee, while the final approval both for the remunerations of executive and non-executive members is granted by the General Meeting of Shareholders.

## **PART D – Relations with Shareholders – Investors**

### ***1. Communication with shareholders***

The BoD will ensure for establishing an on-going and constructive debate with the company's shareholders, especially those with significant holdings and long-term perspective. The BoD should ensure in any case that all shareholders are fairly and equally treated, including minority and foreign shareholders.

- The Chairman and Vice-Chairman of the BoD must be available for meeting with company's shareholders with significant holdings and discussing with them issues pertaining to the company's governance.
- The Chairman will ensure that the shareholders' views are communicated to the BoD.
- The company must maintain an active website containing description of its corporate governance, management structure, ownership status and other useful information for shareholders and investors.

### ***2. General Meeting of shareholders***

When duly constituted in accordance with these Articles and the law, the General Meeting of shareholders is the supreme authority of the Company and represents all shareholders, entitled to resolve on any corporate affair. Its duly adopted resolutions are binding on all shareholders, including the absent or dissenting ones.

The BoD shall ensure that the preparation and holding of the General Meeting of shareholders facilitates all shareholders in efficiently exercising their rights, and shareholders should be fully informed as regards the issues related to their participation in the General Meeting, including the items on the agenda and their rights at the General Meeting.

- A. In conjunction with the provisions of Law 3884/2010, the company shall publish in its website at least twenty (20) days prior to the General Meeting, both in Greek and in English, information regarding the following:
- the date, time and place of holding the General Meeting of shareholders;
  - the main rules and practices of attending the General Meeting, including the right to insert items in the agenda and pose questions, as well as the time-limits for said rights to be exercised;
  - the voting procedures, the terms of proxy representation and the forms used for voting by proxy;
  - the proposed agenda of the meeting, including draft decisions for discussion and voting, and any accompanying documents;
  - the proposed list of prospective BoD members and their curriculum vitae (in case of election of members); and
  - the total number of shares and voting rights as at the date of the meeting.

- B. The Chairman of the BoD or, as the case may be, the Vice-Chairman, the Chief Executive Officer or the General Manager, and the Chairman of BoD Committees, as well as the internal auditor and the ordinary auditor should attend the General Meeting of shareholders in order to provide information in matters of their competence brought to discussion, and to reply to queries posed or clarifications requested by the shareholders. The Chairman of the General Meeting should provide adequate time for the shareholders' questions.
- C. The General Meeting of shareholders is presided over temporarily by the Chairman of the Board of Directors or, if he is prevented from attending, by the substituting Vice-Chairman or, if he is also prevented from attending, by the eldest BoD member attending. A person appointed by the Chairman temporarily acts as Secretary.
- D. Upon approval of the list of shareholders entitled to vote, the General Meeting immediately proceeds to the appointment of a Chairman and a Secretary, who also acts as vote collector.
- E. The decisions of the General Meeting must be adopted in accordance with applicable law requirements and the provisions of the Company's Articles.
- F. A summary of the minutes of the General Meeting must be available in the company's website within fifteen (15) days from the General Meeting of shareholders, translated into English if required by the law and/or the shareholding structure of the company.