

RULES OF PROCEDURE OF THE RECRUITMENT - EXECUTIVE B.O.D. MEMBERS' & MANAGERS' REMUNERATION AND APPOINTMENT OF PROSPECTIVE B.O.D. MEMBERS COMMITTEE

The Recruitment - Executive B.o.D. Members' & Managers' Remuneration and Appointment of prospective B.o.D. Members Committee (in short the "Committee") is a single entity established for the purpose of monitoring and implementation of the appointment procedure as regards the election of members of the Board of Directors, as well as the preparation of proposal to the Board of Directors concerning the remunerations of executive members of the B.o.D., managers and in general the company's remuneration policy.

MEMBERS AND TERM OF THE "COMMITTEE"

The members of the Committee are selected and appointed by the Board of Directors. The Committee is comprised of two (2) members and the independent non - executive member of the Board of Directors is appointed as Chairman of the Committee. The term of its members is directly linked to that of the Board of Directors.

POWERS OF THE COMMITTEE

One part of the Committee's powers comprises the appointment of prospective members of the Board of Directors and in particular:

- The determination of criteria and procedures regarding the selection of prospective members of the Board of Directors and the execution of these procedures.
- The review of the size and composition of the Board of Directors, in conjunction with the appointment of its prospective members.
- The assessment of the current balance of qualifications, knowledge and experience in the Board of Directors so that the appointment of prospective members be directly linked to the composition of the new B.o.D. or/and to the filling of vacancies therein.

The second part of the Committee's powers comprises the determination of the remuneration of the Board's executive members, managers as well as the applied remuneration policy of the company's employees. Some powers are:

- The submission of proposals to the Board of Directors regarding any type of remuneration of the Executive Members and of other Managers and particularly:
 - a. Fixed Remuneration (ordinary payroll).
 - b. Other Benefits (e.g. corporate car)
 - c. Variable remuneration (outside of ordinary payroll) on the basis of motivations as regards the achievement of certain individual targets, corporate targets (bonus, shares, options etc.).
- The periodic review of the salary of the executive members of the Board of Directors and other Managers, on the basis of the contract terms between them and the Company, including compensations in case of resignation, pension arrangements and other benefits.
- The confirmation that the Board of Directors takes into consideration the level of employee remuneration among others both within the company and the group, when the remuneration of its executive members is determined.
- The verification that the remuneration policy of the executive members of the Board of Directors contains such terms as:
 - a. For the determination of remuneration of its executive members, the Board of Directors takes into consideration their duties and powers, their performance in terms of predetermined quantitative and qualitative targets, the financial position and performance and prospects of the company as well as the level of remunerations for similar executive services in peer companies.
 - b. The approval of remuneration of every executive member of the Board of Directors after proposal of the "committee" is done in the absence of executive members.¹

¹ Where the General Meeting is according to law responsible for the approval of remuneration, the relevant proposal shall be formed by the Board of Directors in accordance with the above procedure.

c. Finally, the Board of Directors may demand the refund of the whole or part of the bonus conferred, on account of revised financial statements of previous years or in general on the basis of false financial data used for the calculation of that bonus.

- It has to be stressed that the "committee" is responsible for the submission of proposals to the Board of Directors with regards to any operational policy linked to the remuneration of all the personnel.

OPERATION OF THE COMMITTEE

The operation of the "Committee" is governed by the following principles:

- It shall meet regularly and in any case at least twice per year, as well as on an extraordinary basis whenever necessary (e.g. as regards the selection or replacement of a member of the Board of Directors or Manager, change of policies regarding employee remunerations etc.)
- The Chairman of the Committee shall determine the agenda items, the frequency and duration of meetings so that the effectiveness and fulfillment of its duties be achieved.
- The Secretary of the committee shall be appointed by the Chairman of the Committee and is obliged to inform the members with regards to the date, place and time of each meeting. In addition, responsibility of the Secretary is to make available to each member the items to be discussed one (1) week prior to each meeting. The relevant documents may be sent by electronic mail also.
- The Committee shall cooperate with the Personnel Department and may employ the services of external consultants. For this reason it is expected that adequate funds shall be provided.