



CORPORATE GOVERNANCE CODE

THRACE PLASTICS Co. S.A.

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Disclaimer

The Corporate Governance Code given below (hereafter the "Code") describes the best corporate 4governance practices which have to be followed by the Company and which govern key areas of operation, in accordance with its needs and organizational structures. In case of changes in the institutional framework, which render the harmonization of the Code incumbent, the Board of Directors will proceed to the amendment of the Code, employing as criteria the constant and substantial improvement in the Governance and Control style of the Company, with obvious benefits on the efficiency, the achievement of corporate objectives, the interests of employees, shareholders, investors and creditors.

Introduction-Preamble

The present Code was prepared by the Company and aims at the constant improvement of corporate institutional framework and the broader business environment, as well as the improvement of the competitiveness of the Company as a whole. During the preparation of the present Code were taken into account all the principles of corporate governance to be followed by the Company, as required by the current legislation (C.L.2190/1920, L.3016/2002, as amended and in force today, L.3693/2008 and L.3884/2010) as well as the Corporate Governance Code, which was written by the Hellenic Federation of Enterprises (hereafter "SEV"), and then amended in the context of the first revision by the Hellenic Corporate Governance Council (hereafter "ESED") and was published in October, 2013.

The purpose of the Code is to promote good governance in the belief that this will enhance the long-term success and competitiveness of the Company and its Group. The application of the Code has to be treated by the Company or its investors as a process that adds value to the business and not as a mere compliance exercise. The Company has a lot to benefit from the public adoption and the systematic application of these principles on a fully voluntary basis, which will boost the confidence of shareholders, employees and other stakeholders and will improve their organizational effectiveness.

The term "corporate governance" describes how the Company is managed and controlled. Corporate governance is structured and articulated as a system of principles and relations between the Management of the Company, the Board of Directors, the shareholders and other stakeholders, constitutes the structure through which the objectives of the Company are approached and set, the means of achieving and evaluating these objectives are determined, the main risks encountered in the operation are identified and enables the effective and, at the same time, systematic monitoring of the performance of the Management during the process of applying the abovementioned, establishes standards of best governance practices and reflects the policies and procedures adopted by the Company as a tool for achieving good governance practices.

The main objective of this Code is the training and guidance of the BoD of the Company on best governance practices matters, as well as the improvement of the information of privates or institutional shareholders, Greeks and foreigners, and the encouragement of their participation in corporate affairs. The main objective of the Code is to establish a benchmark for the Company, which, as quoted on the Stock Exchange, is required to publish, on an annual basis, information on its corporate governance in accordance with L.3873/2010.

The corporate governance statement contains a reference to the specific Code applied by the Company. The adoption of the Code by the Company simplifies, to a great extent, the abovementioned disclosure obligations. The objective is to promote best governance practices in their entirety, aimed at a wider impact on the competitiveness of the Company.

GENERAL PRINCIPLES

I. Role and Responsibilities of the BoD

The BoD should provide effective leadership and direct the company's affairs in the best interest of the Company and of all shareholders, ensuring that the Management implements the corporate strategy aiming at the constant pursuit of the reinforcement of the long-term economic value of the Company and the protection of the general corporate interest. It also has to ensure fair and equitable treatment of all shareholders of the Company, including minority and foreign shareholders.

In exercising its duties, the BoD should take into account the parties, whose interests are linked to those of the Company, such as customers, creditors and employees, which are directly affected by the operation of the Company to the extent that no conflict arises with corporate interest.

II. Size and Composition of the BoD

The size and composition of the BoD should allow for the effective and flexible exercise of its duties and reflect the size, the activity and the ownership status of the company.

The BoD should be characterized by a high level of integrity and possess diverse knowledge, skills and experience, that meet the corporate objectives.

III. Role and Responsibilities of the Chairman of the BoD

The Chairman shall preside over the BoD and should be responsible for setting the agenda during the meetings of the BoD, ensuring the smooth organization of the work of the BoD and the effective convention and conduct of its meetings. Ensuring timely and accurate information to the members of the Board and the effective communication with all shareholders through the institutionally existent and operating Shareholders Department, based on the fair and equitable treatment of the interests of the whole of shareholders, should also be the Chairman's responsibility.

IV. Duties and Conduct of the Board Members

Each member of the BoD should have a duty of loyalty to the Company. The members of the BoD should act with integrity and honesty and in the best interest of the Company, as well as protect the confidentiality of information that has not been disclosed to the public. They should not

compete with the Company and should avoid any position or activity which creates or appears to create a conflict between their personal interests and the interests of the Company, including holding a place in the BoD or the Management of competing companies, without the approval of the General Meeting of shareholders. Board members should contribute their expertise and devote to their duties the necessary time and attention. Board members should also limit the number of other professional commitments (in particular any participations in the BoD of other companies) to the extent that allows for their satisfactory performance as members of the BoD. Finally, the members of the BoD should endeavor to attend all meetings of the BoD and the relevant committees, to which they are appointed.

V. Nomination of the Board Members

Nominations to the BoD should be made on merit using objective criteria. The BoD should ensure the orderly succession of its members, as well as of its senior executive managers, with a view to the long-term success of the company and with regard to the principle of continuity of management.

VI. Functioning of the BoD

The BoD should meet sufficiently regularly, according to the company needs, in order to discharge its duties effectively. The information provided to it by the Management should be timely, so as to enable it cope effectively with the tasks arising from its responsibilities.

VII. Evaluation of the BoD

The BoD should be evaluated on an annual basis by the Annual General Meeting of Shareholders of the Company in accordance with the principles and the procedure described in detail in both the C.L.2190/1920 as well as in the Company's Articles of Association.

VIII. Internal Control

The BoD should present to shareholders and the public a clear assessment of the real position and prospects of the Company. It should ensure the reliability of the financial statements and the correctness of the announcements, whenever these are necessary, and maintain an effective system of internal control in order to safeguard the assets of the Company, and identify and address the most significant risks.

The BoD should also:

- monitor the implementation of corporate strategy, and regularly review it,
- regularly review the main risks faced by the company, and the effectiveness of the system of internal control in managing those risks. The review should cover all material controls, including financial, operational and compliance controls, as well as the control of the risk management systems.

The BoD, through its audit committee, should also develop a direct and regular contact with its auditors, in order to receive regular updates from them in relation to the proper functioning of the internal control system.

IX. Level and Structure of Remuneration

The level and structure of remuneration should aim at attracting and retaining the members of the BoD, the executive officers and employees of the Company, who add value to the Company with their skills, knowledge and experience. The level of the remuneration should be in line with their qualifications, experience and contribution to the Company.

The Board should have a clear picture of how the Company remunerates its management officials, and, especially those who are suitably qualified for the effective management of the Company.

X. Related Party Transactions

All transactions with related parties should be governed by the limitations provided in the current legislative framework and be disclosed in accordance with the provisions of the Capital Markets Commission Law (the concept of related party is drawn from the definitions in IAS 24 and related disclosure requirements are presented in Circular No. 45 of the SEC).

XI. General Meeting of Shareholders

The BoD should ensure that the preparation and conduct of the General Meeting of shareholders allows for the effective and unhindered exercise of shareholders rights, who should be fully informed on all matters related to their participation in the General Meeting, including the matters of the agenda, and their rights at the General Meeting.

The BoD should facilitate, within the framework of the relevant statutory provisions, the participation of shareholders in the General Meeting and, especially, that of the minority, foreign and remotely residing shareholders.

Finally, the BoD should utilize the General Meeting of shareholders in order to facilitate genuine and open discussion with the Company.

XII. Communication with shareholders

The BoD should maintain constant and constructive discussion with the Company's shareholders, especially those who hold significant stakes and a long-term perspective.

Section A. : COLLECTIVE BODIES OF THE COMPANY

AI. BOARD OF DIRECTORS

1. Composition of the Board of Directors – Term of Office

1. The Company should be managed by a Board of Directors consisting of seven to eleven (7-11) members who are elected by the General Meeting of shareholders, being shareholders or not, for a four-year term, which will be automatically extended until the first annual General Meeting after the end of the service, not exceeding though a six year period.
2. At least one third of the BoD should be composed of non-executive members, free from conflicts of interest with the Company and close ties with the Management, controlling shareholders or the Company, of which at least two (2) members should be independent non-executive members.
3. During their tenure, the independent non-executive members are not allowed to own more than 0.5% of the Company's share capital nor have a relation of dependence with the Company or persons related to the Company. The independent non-executive members are exclusively appointed by the General Meeting of shareholders. The BoD should determine whether an individual candidate meets the independence requirements, well before he is proposed for election by the General Meeting of shareholders.
4. In the context of determining the independence of Board members, including those proposed for nomination, as well as of the active members, the BoD should consider that a relation of dependence exists when a member:
 - a) Maintains a business, financial or other professional relationship with the Company or with a related party to it, as defined in International Accounting Standard 24,

as amended, which by nature affects its business activity, especially when it constitutes an important supplier, customer or creditor of the Company.

b) Is or has been, during the last five years before his appointment to the BoD, a senior executive or an employee of the Company, as well as if he has or had the abovementioned properties, or is a senior executive officer of a Company related party, as defined in International Accounting Standard 24, as amended, or maintains or had been maintaining, immediately before his appointment, an employment relationship or mandate paid by the Company or its affiliates.

c) Is an employee or a member of the BoD of a legal entity, which holds a stake of no less than 5% of the share capital of the Company or of a company within its group.

d) Has served as a lawful auditor of the Company during the last three (3) years.

e) Relates up to the second degree with or constitutes a spouse of an executive Board member or a management executive or a shareholder of the Company, who holds no less than 5% of the share capital of the Company or of an affiliated company, as defined in paragraph 5 of article 42 of CL 2190/1920.

f) Has been appointed by a certain shareholder of the Company, in accordance with the Articles of Association, as provided by paragraph 3 of Article 18 of C.L.2190/1920.

2. Substitution of the Members of the Board of Directors and Formation of the Body of the Board of Directors

- In case of resignation, death or by any means loss of membership or memberships in the Board of Directors, the remaining members should be able either to elect members replacing the aforementioned ones or continue to manage and represent the company without replacing the missing members, provided that the number of the remaining members will not be less than half the number of the members at the time these events occurred. In any case, the members cannot be less than three (3).
- In the event of election of a substitute, the decision of the election should be published in accordance with Article 7b of C.L.2190/1920, as it is in effect, and be announced by the Board of Directors in the subsequent General Meeting, which can replace the elected members, even if the relevant topic has not been quoted in the agenda.
- The acts of the elected temporary substitute are valid even if the General Meeting does not ratify his potential election and regardless if it proceeds or not to the election of another definitive member of the Board of Directors.
- The term of office of an elected member of the Board of Directors expires if and when the term of office of the replaced member would expire.

- The Board of Directors, as soon as it has been elected, and even during its first meeting, should elect among its members, throughout the whole period of its term of office, the Deputy Chairman and the Chairman. In case of absence or incapacity of the Chairman, he is replaced by the Deputy Chairman, and in case of absence or incapacity of the latter, he is replaced by the consultant appointed by decision of the Board of Directors.
- The Chairman of the Board of Directors should preside over the meetings of the Board of Directors, direct its work and inform the Board of Directors of the operation of the Company.
- The Chairman should facilitate the effective participation of the non-executive members of the Board of Directors in its work and ensure constructive relations between the executive and the non-executive members.
- The Board of Directors shall be able to elect one or more of its members as Managing Directors or Delegates, allocate the duties of the Managing Director to the Chairman or to the Deputy Chairman of the Board of Directors and elect among its members the Deputy Managing Director or the Delegate.
- The responsibilities of the Managing Director and the Delegate should be determined by decision of the Board of Directors.

3. Responsibilities of the Board of Directors

The roles of both the BoD and the Management should be specifically defined and documented in the Articles of Association of the Company and perhaps in its Internal Regulation or other internal documents of the Company.

The main responsibilities of the BoD (in the sense that the relevant decision making requires the prior approval of the BoD or, if necessary, ex post ratification by the BoD), should include:

- The representation , administration and unlimited management of corporate affairs
- The decision making for each decision relating to the Company's management
- The achievement of the corporate objective and management of corporate assets including the issuance of common and exchangeable bonds. The decisions, which according to the provisions of the Law or the Articles of Association or any other valid, binding and firm agreement, are explicitly subject to the exclusive responsibility of the General Meeting of Shareholders, are excluded
- The approval of the long-term strategy and the operational objectives of the Company
- The approval of the annual budget and business plan and the decision making on major capital expenditures, acquisitions and divestments

- The selection and, when necessary, the replacement of the executive management of the Company , as well as the supervision of the plan of the succession
- The performance testing of the senior Management and the harmonization of the remuneration of the executives with the long-term interests of the Company and its shareholders
- Ensuring the reliability of the financial statements and data of the Company, the financial information systems and the data and information disclosed to public, as well as ensuring the effectiveness of internal control and risk management systems
- The vigilance regarding existing and potential conflicts of interest of the Company, on one side, and the Management, the members of the BoD or the major shareholders, on the other side, and the appropriate treatment of such conflicts. For this purpose, the BoD should follow a transactions surveillance process
- Ensuring the existence of an effective process of regulatory compliance of the Company
- The responsibility for decision making and monitoring of the effectiveness of the company's management system, including the decision-making processes and the delegation of authorities and duties to other employees, and
- The formulation, dissemination and application of the basic values and principles governing the Company 's relations with all parties, whose interests are linked to those of the Company

The BoD may establish committees to support the preparation of its decisions and ensure the effective management of potential conflicts of interest in the decision making process.

The Board of Directors may delegate, for as long and under any conditions it considers appropriate each time, the exercise of its representation and its duties in general, wholly or partly to one or more persons among its members or its Managers or its Delegates or other employees of the Company or third parties or committees, determining each time their jurisdiction and the signatures that will bind the Company. The aforementioned delegation is not allowed, when it regards to the decision making on the realization of Company's transactions with related entities, as defined in IAS 24.

4. Meetings of the Board of Directors

The Board of Directors may convene at the registered office of the Company whenever the Law or the needs of the Company require so. The Board of Directors should have the ability to convene through teleconference calls. In this case the invitation to the members of the Board of Directors will include the necessary information for their participation in the meeting.

5. Decision Making

- It is presumed that the Board of Directors is in quorum and convenes validly, as long as half plus one of its members are present or represented in it. However, the number of members present in person can by no means be less than three (3). In order to find the necessary quorum number any resulting fraction has to be omitted.
- Unless otherwise defined by law or the Articles of Association, the decisions of the Board of Directors should be taken by absolute majority of the present and represented members.

6. Representation of the Board of Directors

- An absent member of the Board of Directors may be represented by another member. Any member of the Board of Directors may represent only one absent member, through written authorization.

7. Functioning of the Board of Directors

- The regulation of operation of the BoD should be clearly and sufficiently detailed. At the beginning of every calendar year, the BoD should adopt a calendar of meetings and a 12-month agenda, which may be reviewed depending on the Company's needs, in order to ensure the correct, complete and timely fulfillment of its duties and the adequate examination of all issues on which it takes decisions.
- The BoD should be assisted by a competent, suitably qualified and experienced company Secretary. All Board members should have access to the services of the company Secretary, a senior employee, whose role is to provide practical support to the Chairman and other members of the BoD, collectively and individually, on the basis of compliance of the BoD with the internal rules and relevant laws and regulations.
- Under the supervision of the Chairman, the Company Secretary 's responsibilities should include ensuring good information flow between the BoD and its committees, as well as between senior Management and the BoD. They should also include the configuration of an induction program of the members of the BoD, immediately after the commencement of their term, and their ongoing information and training on matters related to the Company. Finally, the company Secretary should ensure the efficient organization of the

meetings of shareholders and the, in general, good contact of the latter ones with the BoD, in light of the BoD's compliance with legal and statutory requirements. Both the appointment and the revocation of the company Secretary should be a matter of the BoD as a collective body.

- The discussions and decisions of the BoD and its committees should be recorded in the minutes. The minutes of each meeting should be shared and approved at the next meeting of the BoD or the committee, and held by the company Secretary.
- The BoD should ensure that an induction program is established for the new members of the BoD, and that continuing professional training programs are available to other members.
- Board members should ensure themselves their regular information, regarding business developments and the major risks to which the Company is exposed. They should also be promptly informed of changes in legislation and the market environment. Board members should come in regular contact with the executives of the Company through regular presentations by the heads of sectors and directorates.
- The BoD should be able to utilize independent consultants, when it considers it necessary for the performance of its duties. For this purpose, the non-executive members should have the right to propose to the Chairman the appointment of expert consultants.
- The committees of the BoD should be provided with sufficient resources to undertake their duties, as well as to engage external professional advisors, to the extent the latter ones are needed. Their recruitment prerequisites the relevant information of the Chairman of the BoD.

8. Nomination of Board Members

- The members of the BoD should be elected by the shareholders at a maximum term of five (5) years, without precluding though their re-election. The replacement of all members in a single General Meeting should be avoided and an orderly and gradual succession of the Board members should be favored in order that continuity in administration is ensured.
- The names of the Board members submitted for election or re-election should be accompanied by sufficient biographical details, the opinion of the BoD with relevance to

the independence of the proposed members, in accordance with the independence criteria set out in the Law and the Code, as well as by and any other relevant information that would assist the shareholders to take decision based on proven judgment.

- Executive members should undertake to resign from the BoD upon the by any means termination of their executive duties.

- The BoD may establish a committee for the nomination of the Board members in order to ensure an efficient and transparent procedure for the nomination of members of the BoD. It should be noted that the committee for the nomination of the members of the Board and the remuneration committee may function as a single committee.

9. Evaluation of the Board of Directors

Under the current organizational structure of the Company, should the need arise or when weaknesses or malfunctions are identified with regards to the organization and functioning of the Board, meetings and detailed discussions should take place, where problems are presented and analyzed and taken decisions and other actions or statements of the Board members, without exception, are criticized.

The BoD should monitor and review on a monthly basis the proper implementation of the decisions taken on the basis of the existing targets-schedules, while the Board itself will be evaluated annually by the Annual General Meeting of shareholders of the Company in line with the principles and procedures described in detail in both C.L.2190/1920, and in the Articles of Association of the Company.

AII. OTHER ADMINISTRATIVE AND SUPERVISORY BODIES

1. Audit Committee

According to Article 37 of Law 3693/2008, an Audit Committee is established consisting of three (3) non-executive members, of whom one (1) at least is an independent non-executive member. All the members of the Audit Committee are appointed by the General Meeting of Shareholders, and the independent non-executive member who presides over the Audit Committee should have proven sufficient knowledge in accounting and auditing matters.

The Audit Committee has the following responsibilities:

- monitors the financial reporting process and the integrity of the financial statements of the Company. In addition, the audit committee should monitor any formal announcements relating to the Company's financial performance, and review the essentials of financial statements that involve significant judgments and estimates on behalf of the Management,
- reviews the Company's internal financial controls and monitors the effectiveness of the Company's internal control and risk management systems. For this purpose, the audit committee should review the Company's internal control and risk management system on a periodic basis, in order to ensure that main risks are properly identified, managed and disclosed,
- should review conflicts of interests in the transactions of the Company with the related to it entities and submit relevant reports to the BoD,
- should examine the existence and the content of those procedures under which personnel of the Company may, in confidence, raise concerns about possible illegalities and irregularities in financial reporting or other matters relating to the operation of the Company. The audit committee should ensure the existence of procedures for the effective and independent investigation of such matters and for their appropriate confrontation,
- should ensure the functioning of the internal control department in accordance with international standards for the professional application of internal control,
- should determine and review the internal regulation of operation of the internal audit department of the Company,

- should monitor and examine the proper operation of the internal audit department and review its quarterly audit reports,
- ensure the independence of the internal audit department by proposing to the BoD the appointment and removal of the head of the internal audit department,
- should, via the BoD, make recommendations to the General Meeting, in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor,
- should review and monitor the external auditor 's independence and objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements in Greece,
- should examine and monitor the provision of additional services to the Company by the auditing company that engages the regular auditor/auditors.

The Committee should meet at least four times a year, in order to perform its duties effectively. At least twice a year, it should meet with the regular auditor of the Company, without the presence of members of the Management.

2. Remuneration and Nomination Committee

The Board may establish a single Remuneration and Nomination Committee which should consist of at least two (2) non-executive members and will be chaired by an independent nonexecutive director.

The responsibilities of the committee in relation to the designation of the remuneration policy of the executive members of the BoD, as well as of the management executives, and the determination of the overall remuneration policy of the Company should include:

- making proposals to the BoD with regards to the remuneration of each executive Board member, including the bonus and the incentive payments based on share options award
- reviewing and making proposals to the BoD on the total annual package of variable (i.e. except for the salary) compensations in the company

- reviewing and making proposals to the BoD (and, via the BoD, to the General Meeting of shareholders, when required) on the stock option or share award programs
- making proposals on targets for variable, performance-related compensations or targets related to stock-options or share award programs
- making proposals to the BoD on any business policy related to remuneration

The responsibilities of the Committee, with regards to the nomination of the Board members, should include:

- setting selection criteria and appointment procedures for the Board members
- periodically assessing the size and composition of the BoD, as well as the submission to it of the proposals for consideration on its desired profile
- assessing the current balance of skills, knowledge and experience within the BoD, and based on this assessment, recording a clear description of the role and capabilities required for filling vacancies
- completing the process of identifying and selecting candidates
- making proposals to the BoD for the nomination of its members

The Remuneration and Nomination Committee should meet regularly, in order to exercise its duties effectively. Additionally, the aforementioned Committee should be able to utilize the services of external consultants.

Section B: INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors shall present to the shareholders and investors a clear assessment of the real position and prospects of the Company, to ensure the reliability of financial statements and identify the significant risks faced the company through the development of a management system of such risks.

For this purpose, the Company must maintain an effective Internal Audit Department composed of internal auditors who perform their duties independently, shall not be subordinate to any other department of the Company and are supervised by the Audit Committee.

The BoD with the support of the Audit Committee should adopt appropriate policies on internal control, and ensure the effectiveness of the system. It should also specify the procedure to be adopted for monitoring the effectiveness of internal control system which includes the scope and frequency of the internal audit department reports that are received and examined by the BoD during the year and the process of the annual assessment of internal control system.

The Internal Control Department has the following responsibilities:

- (a) proceeds with the constant monitoring of the application and continuous compliance to the Internal Regulation of Operation and the Company's Articles of Association, as well as to the general legislation concerning the Company, and particularly the legislation of societate anonime and the Capital Markets Commission,
- (b) reports to the Board of Directors of the Company cases of conflict between the private interests of the members of the Board of Directors or the officials of the Company with the Company's own interests, cases which the Internal Control Department observes during the exercise of its duties,
- (c) audits the compliance to the commitments presented in the informative reports and the business plans of the Company with regards to the utilization of proceeds which have been raised,
- (d) audits the legality of the fees and any benefits to the members of the Company's management, based on decisions of relevant bodies of both the Company and its subsidiaries,
- (e) audits the relations and the transactions of the Company with its related parties, based on the concept of the International Accounting Standard 24, as it is in effect, as well as the Company's relations with companies, to the share capital of which members of the

- Company's Board of Directors or Company's shareholders participate with a percentage of at least 10%,
- (f) audits the application and compliance to the Company's remuneration policy,
 - (g) ensures that the applied processes for detection and management of risks are adequate,
 - (h) ensures the quality and credibility of the information provided to the Board of Directors regarding the Internal Control System.

The BoD must proceed to an annual evaluation of the internal control system. The evaluation should include the examination of the range of activities and the effectiveness of the Internal Audit Department, the adequacy of the risk management and internal control reports to the audit committee of the BoD, as well as the response and effectiveness of the Management with regards to the errors or weaknesses detected within the Internal Control system.

Section C: REMUNERATION POLICY

The level and structure of remuneration should aim at attracting and retaining Board members, management officials and employees of the Company who will value to the company with their skills, knowledge and experience. The level of the remuneration should be in line with their qualifications, experience and contribution to the Company

Since the determination of the level of remuneration is a process characterized by objectivity, transparency and professionalism of the BoD, it should assign the submission of relevant recommendations to the Remuneration and Nomination Committee composed exclusively of non-executive members

Remuneration of non-executive Board members

The remuneration of non-executive board members should be approved by the General Meeting of shareholders on proposal-recommendation by the BoD, and should reflect their time commitment to the Company during fulfilling their tasks as non-executive members, as well as the range of their duties. Non-executive remuneration should not include any bonus, stock options or compensation directly related to performance. The BoD should determine and propose to the shareholders basic annual Board remuneration as well as, any possible additional fees for members who serve as members or Chairmen of Board committees.

Remuneration of executive Board members

The remuneration of executive Board members should be linked to the corporate strategy, the corporate objectives and the realization of these, with the ultimate objective of creating longterm value to the Company. Therefore, it must ensure an appropriate balance between

- fixed components (i.e. basic salary);
- variable performance-related components, as the annual cash bonus and, when deemed necessary, share-related long-term incentives (i.e. award of restricted stocks and stock and equivalent securities options) (as restricted stocks are defined those reserved shares for which a prohibition on transfer for a certain period exists)
- other contractual arrangements such as pension, severance payments, significant fringe benefits (including in-kind benefits) and other awards
- if stock options are granted, they should not vest within three years of the grant date.

In determining the remuneration of executive members, the BoD should take into account:

- their tasks and responsibilities

- their performance against predetermined quantitative and qualitative targets
- the financial position, performance and prospects of the Company
- the levels of remuneration for comparable executive services to similar companies
- In determining the remuneration of executive members, the BoD should, among others, take into account the level of remuneration of the employees of the Company, as well as of the whole Group

The remuneration of the Executive Members of the BoD is pre-authorized by the BoD upon recommendation of the Remuneration and Nomination Committee, while the final approval for both the remuneration of the Executive and the remuneration of the Non -Executive Board Members is provided by the General Meeting of Shareholders.

Section D.: RELATED PARTY TRANSACTIONS

During the administration of corporate affairs and therefore during the transactions carried out between the Company and its related parties, the Board of Directors should be acting as a prudent entrepreneur, so that these transactions are not only transparent but also fully compliant with the current regulatory framework, as it is defined by the clauses of both the corporate as well as the tax legislation.

The concept of related party is drawn from the relevant definition of IAS 24, and in this context, related party to the Company is:

- “a) A physical or legal entity which directly or indirectly, via one or more intermediary parties:*
- controls, is controlled or is under, mutual with the issuer, control, including the parent and the subsidiary companies as well as the related subsidiaries*
 - participates in the issuer and therefore has the capability to exert material influence on the issuer*
 - jointly controls the issuer.*
- b) Related to the issuer economic entity (in the concept of IAS 28).*
- c) Joint venture of which the issuer is member (in the concept of IAS 31).*
- d) Key management official of the issuer or of the parent company of the issuer. Key management officials are considered persons having authority and responsibility for planning, directing and controlling the activities of the economic entity, directly or indirectly, including any executive or non-executive director.*
- e) Close family member of the physical entity that is associated with the issuer, as noted in parts 1 or 4. Close family members of a person are those who can be expected to influence or to be influenced from this person in their relations with the issuer.*
- f) Economic entity which is controlled, jointly controlled or materially influenced from any person noted in parts 4 or 5 or has significant voting rights, directly or indirectly, in the economic entity.*
- g) Benefit plan after retirement from service for the benefit of the issuer’s employees or the related to the issuer economic entity.”*

Given the fact that related party transactions constitute a matter of special attention and evaluation, both from the side of capital markets legislation and, especially, the side of corporate and tax legislation, monitoring the related party transactions should be on on-going basis and through the Company’s computer system. The parent company, which provides managerial and financial support, should provide accordingly for the information of the affiliated companies, and have the responsibility of keeping accounting record of such transactions and of the compilation of relevant reports.

Obligations for Announcements, in accordance with the Law of the Capital Markets Commission

Related party transactions should be clearly recorded in their Financial Statements and their Condensed Data & Information, as well as in their Annual and Semiannual Financial Report. Apart from the mandatory statutory announcement, related party transactions, provided that they are important, constitute preferential information and should be made publicly available based on article 10 of L.3340/2005, even if they are conducted within the scope of the issuer's current transactions.

In the context of application and compliance to article 10 of L.3340/2005, related party transactions are considered, in principle, important when their value exceeds 10% of the value of the Company's assets as they are recorded in the latest available interim or annual financial statements of the Company. However, the concept of importance is, in each case, considered separately, based on the special circumstances, the transaction's characteristics and the transaction's parties. Therefore, a related party transaction may be considered important even in cases where its value does not exceed 10% of the value of the Company's assets or in cases where there is no payment involved. In cases of related party transactions concerning legal entities, the related to the issuer physical entities, that exercise management control or material influence (e.g. through shareholding relationship), directly or indirectly, on the legal entities involved in the transaction, should be noted. The major terms of the transactions should at least include the transaction's value, provided there is one, the terms and the settlement's deadlines, the guarantees granted or received, and potential clauses.

Section E.: GENERAL MEETINGS –RELATIONS WITH SHAREHOLDERS AND INVESTORS

E1 : GENERAL MEETINGS

1. Responsibility of the General Meeting

The General Meeting of shareholders of the Company is its supreme body and is entitled to act for any case concerning the Company, and its lawful decisions bind the shareholders who are absent or disagree. The topics of the call, convention and conduct of the General Meetings of shareholders of the Company, which are not governed by the Articles of Association, are governed by the provisions of C.L.2190/1920 and those of Law 3884/2010, as it is in effect.

2. Convention of the General Meeting

The General Meeting convenes at the registered office of the Company or at a district of another municipality within the prefecture of the registered office or at a municipality adjacent to the one of the registered office. The General Meeting may take place at the district of the municipality of the registered office of the stock exchange where the Company trades its shares.

The remote participation in the voting procedure during the General Meeting of the shareholders is permitted by sending in advance to the shareholders the topics of the agenda of the General Meeting and of the related ballots regarding these issues at least five (5) days prior to the day of the convention of the General Meeting. The topics and the ballots may be available and filled in electronically via the Internet. The shareholders who vote in this way are taken into account for the formulation of the quorum and the majority, provided that the relevant ballots have been received by the Company at least two (2) full days prior to the date of the convention of the General Meeting.

3. Representation of the Shareholders in the General Meeting

The shareholders entitled to attend the General Meeting may be represented in it by persons lawfully authorized.

4. The Board of the General Meeting

The Chairman of the Board of Directors shall preside temporarily in the General Meeting. In case of incapacity of the former its deputy presides and in case of incapacity of the latter, presides the most aged among the attending members. The Secretarial duties are temporarily performed by those appointed by the Chairman. After reading the definitive list of the shareholders entitled to vote, the Meeting proceeds to the election of its Chairman and its Secretary, who also performs the duties of a teller.

5. Obligations arising from the provisions of L.3884/2010

The Company should display on its website at least 20 days before the General Meeting both in Greek and in English language, information with regards to:

- the date, time and location of the convocation of the General Meeting of shareholders,
- key attendance rules and practices, including the right to introduce topics to the agenda, the right to pose questions, as well as the deadlines by which those rights may be exercised,
- voting procedures, proxy procedural terms and the forms to be used for proxy voting,

- the proposed agenda for the meeting, including draft decisions for discussion and vote, and any accompanying documents
- the proposed list of candidates for Board membership and their CVs (whenever the issue of members' nomination arises), and
- the total number of outstanding shares and voting rights at the date of the convocation.

A summary of the minutes of the General Meeting of shareholders, including the results of voting on each resolution of the General Meeting, should also be available on the Company's website, translated in English, within fifteen (15) days after the General Meeting of shareholders¹.

The company Secretary, as well as the internal Auditor shall attend the General Meeting of shareholders and be available to provide information on matters relevant to their responsibilities posed for discussion and on questions or explanations required by the shareholders. The Chairman of the General meeting of shareholders should allow sufficient time to deal with shareholders' questions.

EII: RELATIONS WITH SHAREHOLDERS AND INVESTORS

- The BoD is obliged to ensure the constant communication with the shareholders and, in any case, the equal treatment of shareholders including both the minority and foreign shareholders
- Each and any shareholder is allowed to address the Shareholders and Investor Relations Department, which the Company is obliged to operate in accordance with the provisions of Law. The major responsibilities of the Shareholders and Investor Relations Department are presented in synopsis below:

- Shareholders Department

The Shareholders Department is mainly responsible for the following:

- 1) the immediate, correct and equal provision of information to shareholders with the regard to the following:
 - a) distribution and payment of dividends, actions of issuance of new shares, distribution, registration, resignation and conversion of shares, the time period for the exercise of the relevant rights or the changes in initial time schedules (for example, extension of the time period for the exercise of rights),

- b) provision of information with regard to the Ordinary or Extraordinary General Meetings and their relevant decisions,
 - c) purchase of treasury shares and distribution or cancellation of such shares,
- 2) the free of charge and in printed format distribution, in every Annual General Meeting, of the Annual Financial Report to the attending shareholders, in accordance with the article 4 of L. 3556/2007, as well as the distribution, in case it is requested, to every interested party, in printed or electronic format, of all published corporate reports (interim and annual financial statements, BoD management reports, Chartered Auditors Accountants reports, annual Financial Reports),
- 3) the monitoring and recording of the Company's shareholders registry in accordance with the legislation in effect. For this purpose, the Company is responsible for the communication with the Central Securities Depository.

- Corporate Announcements Department

The Corporate Announcements Department is responsible for the following:

- a) the disclosure, without any liable delay, to the investment community of the preferential information concerning directly the Company and of any significant change or development with regard to the already published preferential information of L. 3340/2005,
- b) the submission of a catalogue to the Capital Markets Commission with regard to the persons who act as directors of the Company and the persons who are closely related to the above persons (the particular catalogue is compiled in cooperation with the Company's Management),
- c) the recording of a catalogue of the persons directly employed by the Company, either via employment contract or otherwise, or of the persons directly or indirectly associated with the Company, either on a regular or a periodical basis, and which have access to preferential information, in order that it is available to the Capital Markets Commission, whenever requested,
- d) the announcement, in accordance with the clauses of L. 3340/2005 and 3556/2007, to the investment community and the Capital Markets

Commission, within the next day following their collection, of the notifications the Company receives from its directors as well as from persons closely related to them, with regard to transactions carried out on their behalf and concern the Company's shares or derivatives or other financial products which are connected to the Company's shares,

e) the announcement, in accordance with the provisions of L. 3556/2007, immediately after their collection, and only if there is reason, latest within two (2) trading days from their collection date, of the notifications granted to the Company with regard to the purchase, allocation, change or exercise of significant percentages of the Company's voting rights:

i) from shareholders pursuant to article 9, L. 3556/2007,

i) from persons who are entitled to purchase, allocate or exercise voting rights in the Company based on article 10 of L. 3556/2007 and

ii) from persons who purchase or allocate, directly or indirectly via a third party, financial products which incorporate the right to acquire shares of the Company based on article 11 of L. 3556/2007.

- The Chairman of the BoD should be available for the arrangement of meetings with any of the Company's shareholders holding significant equity stakes in the Company, in order to discuss with them, issues and subjects regarding the Company's corporate governance policies.

- The Chairman must ensure that the views of the shareholders are communicated to the BoD.

1. The Company must operate an active website, in which it publicizes a description of its corporate governance, organizational structure, ownership status, as well as other information useful to shareholders and investors.