	CORPORATE GOVERNANCE CODE	2nd Revision
	REVIEW: Regulatory Compliance	Effective Date: November 2018
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CORPORATE GOVERNANCE CODE

NOVEMBER 2018



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A. INTRODUCTION

The term Corporate Governance describes the way in which companies are directed, administered or controlled. More specifically, according to the definition of the Organization for Economic Cooperation and Growth (OECD), Corporate governance involves a set of relationships between a company’s management, its Board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of LAMDA Development S.A. (hereinafter “the Company”) are set, and the means of attaining those objectives and monitoring performance are determined.

This Corporate Governance Code has been drawn up by the Company in accordance with the stipulations of the Law on Corporate Government (Law 2190/1920, Law 2778/1999, Law 3016/2002, Law 3693/2008, Law 3884/2010 and Law 4449/2017), and with the regulations the Company adopts on its own volition in accordance with the best practices introduced by the Codes of the Hellenic Federation of Enterprises (SEV) (October 2013) and those applied in the United Kingdom (September 2014) and approved by Board decision dated 29-11-2018.

This Code functions as a tool of best practice and compliance with the applicable legislation, which promotes and enhances transparency with a view to adding value and, eventually, boosting the Company’s competitiveness. Its content shall be reviewed and updated on a regular basis, adjusting to all new developments in order to keep up with the times and meet existing and future needs.

This Code is the framework of reference for the drafting of the Corporate Governance Statement which, under Law 3873/2010, forms a specific and distinct section of the Annual Management Report of the Board of Directors.

B. GENERAL PRINCIPLES


I. Role and Responsibilities of the Board

The Board shall provide effective leadership and direct the company’s affairs in the interest of the Company and all shareholders, ensuring that management implements the company’s strategy. The Board should also ensure the fair and equitable treatment of all shareholders, including minority and foreign shareholders.

In carrying out its duties, the Board must take into account the interests of key stakeholders.

II. Size and composition of the Board

The size and composition of the Board should enable the effective fulfilment of its responsibilities and reflect the size, activity and ownership of the Company. The Board shall demonstrate a high level of integrity and possess a variety of knowledge, qualifications and experience that correspond to the business objectives of the Company.

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III. Role and profile of the Chairman of the Board

The Chairman of the Board plays a crucial role in Corporate Governance, since it is precisely the clear distinction between the Chairman’s duties and those of the CEO that asserts the Chairman’s independence and facilitates the circulation of information.

Furthermore, the Chairman ensures that the Board carries out its duties effectively and each member is capable of meeting his/her assigned duties; the Chairman must strive to establish efficient cooperation between executive and non-executive or independent members and sufficient time to resolve all business issues.

IV. Duties and conduct of Board members

The members of the Board shall act with integrity and in the best interest of the Company, and protect the confidentiality of the information that has not been disclosed to the public. They shall not compete with the company and should avoid any position or activity which creates a conflict between their personal interests and the interests of the Company, including the holding of positions on the Board or in the management of competing companies without the approval of the General Meeting.

The members of the Board shall contribute their expertise and devote the necessary time and attention to their duties. They should also limit the number of other professional commitments to the extent necessary for their satisfactory performance as members of the Board. Finally, the members of the Board shall endeavour to attend all meetings of the Board and of the relevant committees in which they are appointed.

V. Nomination of Board members


Nominations to the Board shall be based on merit and objective criteria. The Board shall ensure the orderly succession of its members and senior executives so as to ensure the long-term success of the Company’s business.

VI. Functioning of the Board

The Board’s meetings shall be held as frequently as may be necessary to ensure effective performance of its duties. In order for the Board to successfully carry out the duties assigned to it, the Management must provide it with sufficient and timely information.

VII. Evaluation of the Board

The Board shall, on a regular basis, conduct evaluations of its own performance and that of the Committees, following a standard procedure.

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VIII. Internal Audit

The Board shall present to the shareholders and the investors a clear evaluation of the actual position and outlooks of the Company, and ensure the credibility of the financial statements and the accuracy of its announcements, whenever these are required.

The Board shall maintain a sound system of internal audit to safeguard the Company's assets and to ensure that significant risks are identified and adequately managed. Internal audit has been defined as a process, implemented by an entity's Board, management and other personnel, designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The Board shall monitor the implementation of the corporate strategy and review it on a regular basis. It shall also regularly review the main risks to the business and the effectiveness of the internal audit system with regard to managing these risks. The Board, through its Audit Committee, shall also develop a direct and ongoing relationship with the company's certified auditors accountants in order to receive regular reports with respect to the proper operation of the internal audit system and, in any case, to monitor the statutory audit. Moreover, it shall monitor the independence of the certified auditors accountants, and in particular their eligibility to provide non-audit services.

IX. Level and structure of remuneration


The level and structure of remuneration should aim to attract, retain and motivate board members, executives and employees who will add value to the Company with their skills, knowledge and experience. The remuneration shall be aligned with qualifications and contribution to the Company. The Board should have a clear view as to how the Company is paying its executives and especially those with the skills required for its effective management.

X. Communication with Shareholders

The Board shall encourage a continuous and constructive dialogue with the Company's shareholders, especially those holding significant stakes and having a long-term perspective.

XI. Shareholders' General Meeting

The Board shall ensure that the preparation and conduct of the Shareholders' General Meeting allows for the effective exercise of the Shareholders' rights, who must be promptly provided with sufficient information on all issues pertaining to their participation in the General Meeting, including the agenda of the Meeting and ownership rights. The Board shall facilitate, within the framework set out by the Company's statutes, the shareholders' participation in the General Meeting, especially with regard to minority, foreign and remotely

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residing shareholders. The Board shall use the General Meeting to encourage a genuine and open dialogue with the Company.

C. COLLECTIVE CORPORATE ORGANS

1. THE BOARD AND ITS MEMBERS

1.1 Role and responsibilities of the Board

The Board is the competent body to decide on every act concerning the representation, management and in general the pursuance of the corporate object.

The ultimate object of the Board is to maximize the long-term value of the Company and to defend its general corporate interests. The Board represents the Company in all its relationships and transactions.

1.2 Size and composition of the Board

The Board is composed of a majority of non-executive members. The executive or non-executive capacity of Board members is determined by the Board when it is established as a body. The number of non-executive members of the Board may not be less than 1/3 of the total number of members; in case of a fraction, it is rounded to the next integer. Non-executive Board members shall formulate and may express to the Board and the General Meeting independent assessments, especially regarding the Company's strategy, performance and assets. Among the non-executive members must be at least two (2) independent members, within the meaning of Law 3016/2002.


More specifically, independent non-executive members:

- Must be free of material conflict of interests with the Company and of close ties with the Management, major shareholders or the Company.
- During their tenure, independent non-executive members are not allowed to own more than 0.5% of the Company's share capital, or to have a relation of dependence with the Company or with persons affiliated with it.
- Independent non-executive members are appointed by the Shareholders' General Meeting. The Board has to determine whether a candidate meets the independence criteria before the latter is proposed for election by the General Meeting.

Throughout their tenure, independent members retain their capacity, unless their capacity needs to be redefined upon decision of the General Meeting.

According to Article 10 of the Company's Articles of Association:

1. The Company is administered by a Board of Directors consisting of minimum five (5) to

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maximum eleven (11) Members that are elected by the Shareholders' General Meeting and that may, but need not be, Shareholders. The Members may be either natural or legal persons. In the case that a legal person is Member of the Board of Directors, it is required to designate a natural person to exercise its powers as member of the Board of Directors. The elected Members of the Board of Directors may be re-elected. The General Meeting may, as and when it considers appropriate, elect Substitute Members, up to a number that shall not surpass that of the ordinary Members

1α. Prior to any general meeting of shareholders which is convened for the purposes of electing new members of the Board of Directors the Minority Shareholder (as defined in paragraph 9 of the present article) is entitled to appoint for as long as it holds at least 10% of the Relevant Equity Shares (as defined in paragraph 10 of the present article) one (1) member of the Board of Directors pursuant to the provisions of Article 18 (3) and (4) of Codified Law 2190/1920. Such member of the Board can be removed at any time by decision of the Minority Shareholder and be replaced by other member until the expiration of the relevant office term. In the event that, and for as long as, the Minority Shareholder does not hold at least 10% of the Relevant Equity Shares the above appointed person shall automatically cease to be a member of the Board of Directors.

2. The term of office of Board Directors members shall be five (5) years and may be extended until the first Ordinary General Meeting convened after the expiration of the said term, but cannot exceed six (6) years in total.


3. Should there be, for any reason, any vacancies in one or more board positions, these shall be filled, by order of election, by substitute members, if any, elected by the General Meeting, pursuant to article 10, paragraph 1 of the Articles of Association.

4. In the case that the filling of vacancies is not possible, whether because no substitute members have been elected by the General Meeting, or because their number is insufficient, the Board of Directors may either elect directors to fill in the vacancies, or carry on with the administration and representation of the Company with the remaining directors and without replacing the former members, on the condition that the remaining number of directors is superior to one half of the initial number of members as it was before the occurrence of the aforementioned events. That said, the number of Board members cannot, at any time, be inferior to three.

4a. The right of the Board of Directors to substitute vacant members as per the above paragraph shall not exist in relation to the replacement of members that have been appointed in the Board of Directors pursuant to paragraph 1a of the present article. Any members that have been appointed in the Board of Directors pursuant to paragraph 1a of the present article can only be substituted through a decision of the Minority Shareholder pursuant to paragraph 1a of the present article.

4b. The right of the Board of Directors to continue to manage and represent the Company through any remaining members and without having replaced any vacant members shall not prejudice the right of the shareholders mentioned in paragraph 1a of the present article to exclusively replace any vacant member that has been appointed by such shareholders pursuant to paragraph 4a of the present article.

5. Should there be an election for replacing members, these shall be elected by the Board of Directors upon decision of its remaining members, provided their number is not inferior to three (3), and shall stay in office for the remaining of the term of office of the member

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to be replaced. The decision pertaining to the election is subject to the publication formalities under article 7b of Codified Law 2190/1920, as in force from time to time, and shall be announced by the Board of Directors at the first subsequent General Meeting, which has the power to replace the elected members even if no such item is entered on the agenda. The right of the General Meeting set out above to elect permanent members in replacement of those mentioned in paragraph 4 of the present article shall not exist in relation to members that have been appointed by the shareholders pursuant to paragraph 1a of the present article given the exclusive right of replacement granted to such shareholders pursuant to paragraphs 4a and 4b of the present article.

6. The election of directors in replacement of vacancies shall be compulsory when the number of the remaining directors is inferior or equal to half of the initial number of directors, as it was before the occurrence of one or more vacancies. The appointment of members pursuant to paragraphs 4a and 4b of the present article in replacement of any vacant member that has been appointed pursuant to paragraph 1a of the present article is always compulsory.

7. In case one or more members of the Board of Directors resign, pass away, or lose membership in any way, the remaining members may continue the administration and representation of the Company without replacing the vacancies, on the condition that their number is superior to one half of the initial number of members before the occurrence of the aforementioned events. In any case, the number of Board members cannot, at any time, be inferior to three (3). The right of the Board of Directors to continue to manage and represent the company through the remaining members and without substituting any vacant members shall not prejudice the right of the shareholders mentioned under paragraph 1a of the present article to exercise their exclusive right to replace any vacant member that has been appointed by the same pursuant to paragraphs 4a and 4b of the present article.


8. In any case, the remaining members (even one) of the Board of Directors, regardless of their number, may convene a General Meeting with the express purpose of electing a new Board of Directors. In this case, prior to such General Meeting the shareholders mentioned in paragraph 1a of the present article shall fully exercise their rights under the abovementioned paragraphs.

9. "Minority Shareholder" means the legal entity "VOXVOCE HOLDINGS LIMITED" and any other person which enters into its position, by acquiring at least 10% of the Relevant Equity Shares of the Company (as defined in paragraph 10 of the present article), acting legally and without breaching any relevant contractual obligations.

10. "Relevant Equity Shares" means the share capital of the Company, as is outstanding from time to time, excluding any shares issued under the stock option plan as approved by resolution of the General Meeting dated 23.6.2006, as in force and under any other stock option plan being approved pursuant to Article 13 (13) of the Codified Law 2190/1920 and being valid from time to time.

11. The verb "hold", in relation to shares, refers to shares being held directly and/or held through a nominee.

The establishment of the Board as a body takes place at its first meeting following the election of its members by the General Meeting or when there is a vacancy in the position of the Chairman, the CEO and the Vice-Chairman of the Board, as the case may be.

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Moreover:


- The Board of Directors shall elect, among its members and for its term of office, the Chairman, Vice Chairman and CEO of the Company. The roles of Chairman or Vice Chairman and CEO may be exercised by the same person.
- Should the Chairman be prevented from exercising their duties, these shall be performed by the Vice Chairman or by any Director appointed for this purpose. Should there be a vacancy in the Bureau of the Board, the Board shall elect a replacement at its first meeting after the said vacancy took place. The newly elected member of the Bureau shall remain in office for the remainder of the replaced director's term of office.
- In case of absence or impediment for a period exceeding one month, the CEO shall be substituted by a person appointed by special decision of the Board of Directors. If the relationship of the CEO with the Company is interrupted for any reason, the Company's Board shall decide on substitution until election of a replacement.

1.3. Competencies of the Board

The competencies of the Board are clearly specified in the Articles of Association and the Internal Operating Regulations of the Board of Directors.

The main, non-delegable competencies of the Board include, but are not limited to:

- approving the overall long-term strategy and operational goals of the Company;
- approving the annual budget and business plan, and deciding upon major capital expenditures, acquisitions and divestitures;
- selecting and replacing, if necessary, the executive members of the Company's Board of Directors, and overseeing the planning of their succession;
- monitoring the performance of the senior management and aligning executive remuneration with the long-term interests of the Company and its shareholders, taking into consideration relevant recommendations of the Compensation & Nomination Committee;
- ensuring the credibility of the Company's financial statements and accounts, the financial reporting systems and public disclosures, as well as the effectiveness of the internal audit and risk management systems;
- being alert to and adequately addressing existing and potential conflicts between the Company, on the one hand, and its Management, Board members or major shareholders, on the other;
- establishing an effective monitoring procedure for the compliance of the Company with applicable laws and regulations;
- deciding on and monitoring the effectiveness of the Company's governance procedures, including those of decision-making and delegating of powers and responsibilities to other key executives;
- formulating, disseminating and implementing key values and principles governing the Company's relations with its stakeholders.

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Moreover, the Board of Directors:

- Approves the annual stocktaking report of the Company and any other statement required by the legal framework governing the capital market.
- Approves the subsidiaries' partnerships aiming to establish new companies or joint ventures of strategic importance with third entities, and the mergers and acquisitions of companies, with the exclusion of joint ventures or holding companies established for the sole purpose of realizing a specific investment that has already been approved.
- Approves the entrance of the Company in other fields of activity.
- Decides upon the acquisition / establishment / sale of subsidiaries.
- Approves participation for developments / investments or even divestments, including sales of properties over 10 million euros.
- Defines the maximum total amount of developments / investments for each year.
- Decides upon the seeking of legal remedies in favour of the Company.

The Board sets up Committees assisting in the preparation of decisions and ensuring a more effective decision-making process.

The Board may assign all or part of its powers to the Chairman or the Vice-Chairman or any other Board Member or employee of the Company or any third party. This assignment may be given for a determined or undetermined period of time or ad hoc for specific actions.

The Board is also supported by a Secretary, who is the Chief Legal Counsel and attends its meetings. All members of the Board have access to the Secretary's services.

The duties of the Secretary to the Board consist in providing practical support to the Chairman and the other members of the Board, both collectively and individually, with a view to ensuring the compliance of the Board with the applicable laws and regulations, and the relevant internal rules of the Company.


The Board operates according to its comprehensive rules of operation.

1.4. Meetings of the Board

The Board of Directors convenes at the Company's registered office whenever required by Law, the Articles of Association or the needs of the Company.

The Board of Directors may convene by teleconference in accordance with the provisions of Article 20(3a) of Codified Law 2190/1920.

The Board of Directors may validly convene in places other than the Company's registered office, whether in Greece or abroad, provided that in the said meeting are attending in person or by proxy all its members and that none of them objects to its taking place or to the taking of decisions.

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The convening of meetings, and any matters pertaining to matters of quorum, majority, and decision-making, are governed by the provisions of Codified Law 2190/1920 and the Board's rules of operation.

1.5. Role and profile of the Chairman of the Board

The responsibilities of the Chairman are set out by the more general provisions, as in force from time to time. More specifically, the Chairman leads the Board and carries the responsibility of setting the meetings' agenda, ensuring that the works of the Board are well organized and that meetings are conducted efficiently. The Chairman is responsible for the smooth and efficient functioning of the Board as a collective body.

Moreover, the Chairman is responsible for leading the procedure for the evaluation of the Board.

1.6. Duties and conduct of Board members

All members of the Board should fulfil their duties with integrity, impartiality and professionalism and devote sufficient time to this end. The Board adopts policies for managing conflicts of interests between its members and the Company and for protecting the confidentiality of information. These policies include procedures that define how a Board member, and any third party to whom Board responsibilities have been delegated by the Board, should disclose to the Board ahead of time any interests in specific company transactions or any other potential conflict of interests with the Company or its subsidiaries.


Furthermore, any other professional commitments of the members – including significant non-executive engagements in companies and non-profit institutions – should be disclosed to the Board before appointment. Any changes pertaining to the above commitments shall be disclosed to the Board immediately.

The Board members should also limit the number of other professional commitments - in particular those arising from membership in any other Boards - to the extent necessary for the effective performance of their duties as Board members.

More specifically, the appointment of an executive director as a non-executive director at a company which is not a subsidiary or affiliate must be previously approved by the Board.

1.7. Evaluation of the Board

The evaluation by the Board members shall take place at least every two (2) years, in line with a clearly established procedure. More specifically, the Board members are invited by the Chairman to evaluate the functioning of the Board, by filling in a relevant questionnaire. The results of the evaluation are discussed by the Board and the Chairman shall act in order to address the identified weaknesses.

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Part of the evaluation of the Board is also the evaluation of the Chairman. The evaluation of the Chairman shall take place at least every two (2) years. The evaluation process is headed by the Vice-Chairman or another non-executive Board member. By filling in the relevant questionnaire, the Board members are called upon to evaluate the effectiveness of the Chairman in his/her assigned duties, as well as the general image of the Chairman.

2. OTHER ADMINISTRATIVE AND SUPERVISORY ORGANS

2.1 Audit Committee

The Audit Committee was initially established under Article 37 of Law 3693/2008, in accordance with the specific terms and provisions of the aforesaid law, upon decision of the Annual Ordinary Shareholders' General Meeting dated 5 May 2009. The implementation of the provisions of Law 4449/2017, made necessary the re-establishment of the Audit Committee, which was carried out in accordance with a relevant decision of the Annual General Meeting of the Shareholders, dated 15 June 2017. The current composition of the Audit Committee is valid in line with the decision dated 14 June 2018 of the Shareholders' General Meeting.


The purpose of the Audit Committee is to assist the Company's Board of Directors in its duties with regard to financial information, internal audit and monitoring of the ordinary audit.

More specifically:

- It is the communication channel between the Board of Directors, the Internal Auditor, the certified auditors accountants and the executive officers of the Company with regard to accounting and financial statements, administrative information reports, corporate governance, risk management and the internal audit system.
- It assists the Board of Directors in the fulfilment of their duties with regard to the proper implementation of the accounting principles and of the reporting systems in the Company and its subsidiaries as well as the efficiency of the internal audit system.
- It is the main body ensuring the quality of the Internal and the Financial Audits, the integrity of the Management, and the efficiency and transparency of the financial and operating information. However, this does not exclude the right of the Internal Auditor or the Certified Auditor Accountant to contact the Board of Directors directly whenever necessary.

The Audit Committee consists of at least three (3) members and is either an independent Committee or a Committee of the Company's Board of Directors.

The Committee is composed by a majority of independent members, within the meaning of Article 4 of Law 3016/2002. All Audit Committee members shall have sufficient knowledge of the sector in which the Company is operating. At least one member of the Committee must

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be a certified auditor accountant under suspension from practice or in retirement, or have sufficient knowledge in auditing and accounting. The members of the Audit Committee are elected by the Company's General Meeting of the Shareholders. The Chairman of the Committee, who is independent within the meaning of Article 4 of Law 3016/2002, shall be appointed by the same decision. In case the Company's General Meeting of the Shareholders has not appointed the Chairman, or in the event of his resignation, the members of the Audit Committee shall elect the Chairman.

In case of a member resignation, the Committee may continue its assigned work, as long as the provisions of Article 44 of Law 4449/2017 are fulfilled, in relation to its establishment and structure, i.e. participation of at least 3 members, the majority of which are independent and one member has sufficient knowledge in auditing and accounting.

In case of substitute member's election, the aforesaid election may be carried out by the Board of Directors. This decision should be announced at the forthcoming Company's General Meeting of the Shareholders, which approves the new Committee's establishment.

Participation in the Audit Committee shall not exclude participation in other Board committees.


The main competencies of the Audit Committee can be analysed as follows:

2.1.1 External Audit

- The Audit Committee monitors the process and the conduct of the statutory audit of individual and consolidated financial statements of the Company. In this context, it informs the Board of Directors of matters that arose during the performance of the statutory audit, providing detailed explanations on:
 1. The contribution of the statutory audit to the quality and integrity of financial reporting, i.e. the precision, completeness and correctness of the financial reporting, including relevant disclosures, which the Board approves and is published.
 2. The role of the Audit Committee in the aforementioned process, i.e. recording the actions performed by the Audit Committee during the statutory audit.

In the context of the aforementioned briefing of the Board of Directors, the Audit Committee shall take into account the content of the additional report submitted to it by the certified auditor accountant, which contains the results of the statutory audit carried out and meets at least the specific requirements set out in Article 11 of Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014.

- It reviews and monitors the independence of the certified auditors accountants or audit firms, in accordance with Articles 21, 22, 23, 26 and 27, and Article 6 of Regulation (EU) 537/2014 and in particular the appropriateness of the provision non-audit services to the Company in accordance with Article 5 of Regulation (EU) 537/2014.

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- It is responsible for the procedure for the selection of certified auditors accountants or audit firms and for the determination of their remuneration and recommends the certified auditors accountants or the audit firms to be appointed in accordance with Article 16 of Regulation (EU) 537/2014, except when paragraph 8 of Article 16 of Regulation (EU) 537/2014 is applied.

2.1.2 Financial Reporting Procedure

- It monitors, examines and evaluates the procedure for the preparation of financial information i.e. the mechanisms and the production systems, the flow and diffusion of the financial information generated by the relevant organisational units of the Company. The above actions of the Audit Committee also include any other information published in any way relating to financial information (i.e.. announcements published in Athex Exchange Group, press releases). In this context, the Audit Committee informs the Board of Directors about its findings and submits proposals for the improvement of the procedure, if deemed necessary.

2.1.3 Internal Audit and Risk Management System Procedures and Internal Audit Unit

- It monitors, reviews and evaluates the adequacy and effectiveness of all Company's policies, procedures and controls regarding (i) the internal control system, and (ii) the risk assessment and management, in relation to financial information.
- In relation to the function of internal audit, the Audit Committee monitors and reviews the proper functioning of the internal audit unit according to professional standards as well as the applicable legal and regulatory framework and evaluates its work, adequacy and effectiveness, without however affecting its independence.
- It reviews published information as regards the internal control and the main risks and uncertainties of the Company, in relation to financial information. In this context, the Audit Committee informs the Board of its findings and submits proposals for improvement, if deemed necessary.
- It examines conflicts of interests arising in the course of the Company's transactions with related entities and submits the relevant reports to the Board of Directors.
- It provides support to the Board of Directors to the extent required by the Company's policy, with respect to ensuring sufficient information on decision making regarding transactions between related parties.
- It examines, in collaboration with the Chief Legal Counsel of the Company, at least once a year, the pending legal issues that may affect the financial situation of the Company.
- It approves the objectives of the audit and the annual audit plan.

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- It oversees the internal audit reports prepared by the Internal Auditor and supervises the implementation of the Internal Auditor’s recommendations adopted by the Management, as stated in the relevant reports.
- It evaluates the Head of the Internal Audit Unit.

In order to fulfil its aforesaid duties, the Audit Committee may assign specific advisory or auditing projects to audit firms, with the approval of the equivalent expense by the Board of Directors, in case where this expense exceeds the 25% of the Group’s statutory audit fees for the corresponding fiscal year.

The Audit Committee operates according to a comprehensive operating regulation.

2.2. Compensation and Nomination Committee

The Compensation & Nomination Committee was established according to the decision of the Company’s Board of Directors dated 01.03.2011, from the merge of the Compensation Committee (established 16.07.2004) and Nomination and Corporate Governance Committee (established 11.09.2007).


The Compensation & Nomination Committee is to assist the Board of Directors in all matters concerning:

- A. the general principles governing the management of the Company’s human resources, and especially the policies on compensation, benefits and incentives for the Board of Directors’ executive members and the executives and employees of the Company, in accordance with the market conditions and the socio-economic context in general;
- B. the empowerment of the Company’s administrative centres, as well as the assurance of the effective management of the Company by identifying, presenting and nominating suitable candidates for the filling of vacancies in the Board of Directors of the Company or its subsidiaries, and by approving the documented recommendations of the CEO for hiring and promoting executives.

The members of the Compensation & Nomination Committee are appointed by the Company’s Board of Directors.

The Committee is composed of three (3) members, the majority of which are non-executive and independent, and of two (2) substitute members, one of which is substitute of the Chairman. The Chairman of the Compensation & Nomination Committee and his/her substitute, are nominated by the Company’s Board of Directors.

The competencies of the Compensation & Nomination Committee include:

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2.2.1 Compensation Policy

- The submission of proposals to the Board of Directors, regarding any compensation-related corporate policies.
- The examination of the annual compensation report.
- The submission of proposals to the Board of Directors regarding to the compensation of its executive members, as well as the officers and employees of the Company.
- The examination and submission of proposals to the Board of Directors, with regard to the total figure of the annual variable compensation (i.e. excluding basic remuneration) in the Company.
- The examination and submission of proposals to the Board of Directors – and via this channel to the Shareholders’ General Meeting, whenever this is required – pertaining to stock option or shares distribution plans.
- Performance targets proposals with regard to the variable compensation of the Board of Directors’ executive members and the executive staff, or the targets related to stock option or shares distribution plans.
- The regular review of the executive directors’ remuneration and other terms of their contracts with the Company, including severance pay and pension schemes.

2.2.2. Nomination


- Submission of candidacies for the filling of vacancies in the Board of Directors.
- The approval of hiring officers in key managerial positions (e.g. Development Director, Development Director, Greece, Asset Management Director Chief Legal Counsel, Financial & Administration Director) or promoting thereof, which is usually granted following reasoned recommendation of the CEO.

The Compensation and Nomination Committee may use the services of external consultants, if deemed necessary.

The Compensation and Nomination Committee operates according to a comprehensive operation regulation.

D. INTERNAL AUDIT AND RISK MANAGEMENT

The Board, with the support of the Audit Committee, establishes appropriate policies on internal audit and ensures the sound functioning of the system. The Internal Audit system includes policies, procedures, regulations and other corporate documents, which are

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implemented by the Board of Directors, Management and its other human resources, and aim at:


- the effective and efficient operation of the Company, in order for the latter to be able to respond appropriately to the risks related to the achievement of its business objectives;
- ensuring the credibility of the financial information; and
- the compliance with the applicable laws and regulations, including internal corporate policies.

Moreover, in addition to the Audit Committee, the Board has established the Internal Audit Department, according to the requirements of the Greek law, which department operates according to written rules of operation and which ensures the integrity of the internal audit system. The Internal Audit Department, while independent from other business units, has, in the course of its duties, access to any document, department or employee of the Company. The Chief Internal Auditor refers to the Board's Audit Committee. In addition to the responsibilities provided for in Article 8 of Law 3016/2002, the Internal Audit Department has, indicatively, the following duties:

- the monitoring of systems and operations to assess the extent to which the effective objectives set by the Management are achieved and the adequacy of safety provisions in order to ensure their fulfilment;
- evaluating the adequacy of the risk identification and management procedures and the efficiency of the internal audit system;
- evaluating the effectiveness and efficiency of the Company's resources management;
- monitoring the means of safeguarding the Company's assets;
- following up on the compliance with the existing regulatory and legal framework; carrying out control procedures (on a totality or sample basis) with regard to the operations and functioning of the Company, with a view to ensuring overall compliance with the regulations, procedures and systems of preventive control;
- submitting proposals for the improvement of systems and procedures with a view to preventing overspending and/or fraud;
- submitting proposals for the improvement of the internal audit system;
- reporting situations of potential conflict of interests;
- ensuring compliance with the obligations arising from the Capital Market Legislation.

If deemed necessary, following approval by the Audit Committee and the Company Management, the Internal Audit Department may engage special consultants, in order for them to undertake in whole or to support the execution of specialized auditing.

The Board, through the Audit Committee, conducts assessments of the internal audit system on a regular basis. These assessments consider the effectiveness and scope of the Internal Audit Department, the adequacy of risk management and internal audit reports to the Audit Committee, and the Management's responsiveness and effectiveness in dealing with identified control failings or weaknesses.

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E. REMUNERATION POLICY

Level and structure of remuneration

The remuneration-setting process shall be performed with objectivity, transparency and professionalism, and be free from conflicts of interests. To this end, a Remuneration & Nomination Committee has been established, composed by a majority of independent non-executive members of the Board, with the responsibility to submit proposals on the remuneration policy of the Company.

In order to create long-term corporate value, incentive and benefit structures aim to aligning short-term and long-term performance and to the promotion of meritocracy in order to attract and retain officers with the necessary skills for its Management.

Moreover, the remuneration-setting process for both executive and non-executive members of the Board shall reflect their time commitment and responsibilities.

On the remuneration of the Board members:

a. Executive members of the Board


The remuneration of executive members of the Board shall be linked to the corporate strategy, the company's objectives and their fulfilment, as well as its aim to create long-term value. To this end, executive remuneration shall ensure an appropriate balance between fixed components, such as basic salary, and variable years of service-related and performance-related components, such as the annual bonus and stock options, and finally any other contractual arrangements, such as pension and severance pay schemes, significant additional benefits and compensations.

b. Non-executive members of the Board

The remuneration of non-executive members of the Board shall reflect their time commitment at the Company, their experience and scope of duties and responsibilities.

The remuneration of executive and non-executive members of the Board is approved by the Shareholders' General Meeting on proposal of the Board via the Remuneration and Nomination Committee.

The remuneration and any compensations of all Board members are approved by the Annual Ordinary Shareholders' General Meeting.

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G. RELATIONS WITH SHAREHOLDERS - INVESTORS

1. Communication with Shareholders

The Board shall ensure a continuous and constructive dialogue with the Company's shareholders, especially those holding significant stakes and having a long-term perspective. The Board shall also ensure at all times the fair and equitable treatment of all shareholders, including minority and foreign shareholders.

More specifically:

- a. The Chairman of the Board and the CEO shall be available to meet significant shareholders of the Company.
- b. The Chairman shall ensure that the views of the shareholders are communicated to the Board.
- c. The Company shall maintain an active website that includes a description of its corporate governance principles, its management structure, its ownership and other useful shareholder and investor information.

2. Shareholders' General Meeting


The Shareholders' General Meeting is the supreme authority of the Company and has the power to decide upon all matters relating to the Company. Entitled to participate at the General Meeting are the Shareholders, in person or by duly authorized proxy, in accordance with the applicable legal procedures.

The Board shall ensure that the preparation and conduct of the Shareholders' General Meeting allows for the effective exercise of shareholders' ownership rights, within the framework set out by the Company's statutes, and facilitates their attendance, especially with respect to minority, foreign and remotely residing, shareholders.

The Board should use the General Meeting to encourage a genuine and open dialogue with the Company. The Chairman of the Board, the CEO, the Chief Internal Auditor, the Secretary of the Board, the Certified Auditor Accountant and, where applicable, the members of the Board and senior officers shall attend the General Meeting to provide update and information on the Agenda items and to answer questions or give clarifications to the Shareholders.

Under the provisions of Law 3884/2010, at least twenty (20) days prior to the General Meeting, the Company shall post on its website, in Greek and English, information on:

- the date, time and location of the Shareholders' General Meeting;
- key attendance rules and practice, including the right to put items on the agenda, the right to ask questions, and deadlines by which those rights may be exercised;

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- voting procedures, proxy procedural terms and the forms to be used for proxy voting;
- the proposed agenda of the meeting, including resolutions and accompanying documents;
- the proposed list of candidates for Board membership, if applicable, and their résumés;
- the total number of outstanding shares and voting rights at the date of the convocation.

The General Meeting is entitled to elect its Chairing committee, consisting of the President and Secretary of the General Meeting. Until approval of the Meeting's Chair election list, the Chairman of the Board of Directors, or his legal Substitute, or the eldest Shareholder attending, shall act as interim president and appoint a Secretary among the attending Shareholders.

A summary of the General Meeting Minutes shall also be available on the company's website within fifteen (15) days after its convening, also available in English.