FEDERATION OF GREEK INDUSTRIES
PRINCIPLES OF CORPORATE GOVERNANCE
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A. Introduction - Objectives

1.1

Corporate Governance is a system of principles providing a basis for the organization, operation and management of a public limited liability company ("A.E."), in a manner that ensures the protection and satisfaction of the legitimate interests of all persons linked to the company in the framework of the company's interests.

1.2

Corporate Governance aims at serving, on a continuous basis, the company's interests, which are a combination of the interests of the company as a distinct legal entity and the legitimate interests of all stakeholders linked to that company.

1.3

Corporate Governance aims at full transparency in the overall management of the company, allowing the dissemination of any vital information to all shareholders and thus providing them with the opportunity to participate actively in the company's activities, on the basis of the legislation in force, and to protect and promote their interests in a non-discriminatory and fair manner, within the framework of the company's long-term and balanced development.

1.4

Corporate Governance principles and the procedures adopted for their implementation and supervision are voluntary engagements of the company, whose basis and starting point are found in the legislation in force on public limited liability companies, the legislation on stock exchanges, and the regulatory provisions adopted by the Athens Stock Exchange and its supervisory authorities, but whose scope extends beyond existing legislation, and includes voluntary commitments that contribute to the maintenance and improvement of the company's credibility.

1.5

The principles and procedures of Corporate Governance are reflected in the overall structure and operation of the company, and apply to its administrative bodies (the Board of Directors and the shareholders' assembly), as well as the manner in which these are structured and operate, but also the more general lines of communication between the company's different stakeholders.

1.6

Corporate Governance is of interest to any company, not limited to public limited liability companies. It is particularly recommended for public limited liability companies that are listed on the Athens Stock Exchange.

B. Board of Directors (of the A.E.)

2.1

The Board of Directors of a company listed on the Athens Stock Exchange must include a number of members necessary to ensure the required distinction between executive and non-executive members, and the allocation, to certain of these members, of tasks resulting from the necessity to ensure proper corporate governance.

2.2.

The company's decisions are, as a starting point, decisions of the Board of Directors acting collectively. This provides all members of the Board of Directors with the opportunity to exercise an active role in the company's administration, with the further possibility, through powers granted in particular to executive members, to implement the objectives and guidelines of the Board of Directors. Non-executive members form the majority in the board member Committees referred to in Chapter E of the present document.

2.3

The executive members are top executives of the company responsible for its management. Non-executive members are persons with particular professional experience and social status, and with proven objective judgment. Independent non-executive members are those that do not have a family link up to the second degree with the shareholder controlling the majority of the company's capital or do not own shares of more than 5 % in the company or any of its subsidiaries, and are not executive managers of a subsidiary.

2.4

The Board of Directors' primary task is the protection and promotion of the company's interests and the continuous returns reflected in a long-term improvement of the company's share value.

2.5

The Board Members may not pursue interests that are contrary to those of the company or its affiliates. They must reveal to the Board any potential conflicts of interest that may result from major transactions of the company, as well as any other conflicts between their own interests and those of the company.

2.6

The Board members must communicate to the Board of Directors their intentions regarding any important transactions and financial activities relating to the company, as well as to any of the company's important clients or suppliers.

C. Internal Operation Regulation

3.1

The existence of an internal regulation for the company's operation is a fundamental principle of Corporate Governance. The Internal Operation Regulation is constituted by decision of the company's Board of Directors and aims at assisting the Board of Directors in the exercise of its duties, with a view to protecting the company's interests.

3.2 The Internal Operation Regulation must cover, at a minimum:

(a) The structuring of the company's services, their object, as well as the relations of these services between themselves and vis-à-vis the management. At a minimum, there must also be services for Internal Control, Shareholder Service and Company Announcements.

(b) The procedures for the engagement of management executives and their evaluation in the exercise of their duties.

(c) The procedures for the monitoring of transactions by the members of the Board of Directors, executives and persons who, by virtue of their relationship with the company, possess inside information on the movable assets of the company or its affiliates in the sense described in Article 42[? *illegible]***,** par. 5 of law 2190/20 as amended, if such assets are traded on an organized stock exchange, as well as through other activities linked to the company.

(d) The procedures for the pre-announcement of important transactions and financial activities of board members or third parties having management tasks, to the extent these are related to the company as well as its important clients or suppliers.

D. Organization of Internal Control

4.1

The organization and operation of internal control is a fundamental condition of corporate governance. Internal control is carried out by a special company service, staffed by at least one person.

4.2

The internal controller is hierarchically integrated in the management of the company but remains independent in the exercise of his duties.

4.3

The internal controller is appointed by the company's Board of Directors. A member of the Board of Directors, an active executive with other duties in the company, or a person linked to these persons through a direct or indirect family relationship of up to the second degree may not be appointed internal controller. The company must inform the Capital Market Commission, within ten working days, of any changes to the person or the organization of its internal control.

4.4

In the exercise of his duties, the internal controller may obtain knowledge of any book, document, bank account information or portfolio of the company, and access any service of the company. The members of the board and the company's employees must cooperate with the internal controller and provide him with information, and generally facilitate his work as may be appropriate. The company's management must provide the internal controller with all the means necessary to facilitate the exercise of an appropriate and effective control.

4.5

The internal control[ler] has the following competence:

(a) he follows the application of, and continuous compliance with, the Internal Operation Regulation, the company's statutes, and the general legislation affecting the company including, in particular, legislation on public limited liability companies and the stock exchange;

(b) he reports to the company's Board of Directors any cases of conflicts between the Board members' or the executives' private interests and those of the company, that he may come across in the exercise of his duties;

(c) he provides updates in writing, at least once every three months, to the Board of Directors on the results of his control, and he is present in the general assembly's meetings; ..

(d) he provides any information requested by the Supervisory Authorities, cooperates with them and facilitates, through any available means, their monitoring, control and supervisory tasks.

E. Board Committees

5.1

In order to ensure a more effective management of the company, at least two committees, comprised of non-executive Directors are provided and constituted: the Internal Control Committee and the Compensation and Benefit Committee.

5.2

The Internal Control Committee, which meets at least three times per year, evaluates and exploits the findings of the control carried out by [public] supervisory authorities, and of the internal and external control, by report to the full Board of Directors of the company.

5.3

The Compensation and Benefit Committee's task is to determine the compensation and benefits of any kind provided to the executive members of the Board of Directors, and to lay down a compensation and benefits policy in respect of the company's executives.

5.4

The composition and operation of these committees is laid down in the internal regulation and their purpose is to support the whole Board of Directors in its tasks.

F. Share Capital Increases Through Contributions in Cash - Deviations in the Use of Paid-in Capital

6.1

In the event of a share capital increase through cash contributions, the company's Board of Directors presents a written report to the general assembly of shareholders, providing the general directions of the company's investment program, an indicative timeline for its implementation, as well as a report on the use of capital paid in since the last capital increase, provided that this took place not more than three years prior to that date. The relevant decision of the general assembly must include the above elements, as well as the content of the report.

6.2

Where the decision on the share capital increase is taken by the Board of Directors pursuant to the provisions of Art. 13(1) of Law 2190/1920, all elements referred to in the previous paragraph must be mentioned in the Board of Director’s minutes.

6.3

Important deviations in the use of paid-in capital as compared to the expected use set forth in the information reports and the decisions of the general assembly or those of the Board of Directors pursuant to paragraphs 1 and 2 of the present article, may be validly decided by a two-thirds majority of the Board of Directors. The Board of Directors must inform the general assembly, at the first meeting following this decision, of the new intended use of the capital, as well as of the reason for the deviation from the originally intended use.

G. Obligation of Compliance with Corporate Governance Principles

7.1

The above principles of corporate governance are voluntary in character, but constitute self-binding commitments of the company.

7.2

The company must make public, at least through its annual reports, the Principles of Corporate Governance that it applies.