

## CORPORATE GOVERNANCE STATEMENT

### I. Reference to the Corporate Governance Code which applies to the Company and the place where the Code is available to the public.

TITAN CEMENT S.A. (hereinafter "the Company") is a societe anonyme whose ordinary and preference shares are admitted to trading on the Athens Exchange.

This Corporate Governance Statement is special part of the Board of Directors' Annual Report prepared in accordance with the provisions of Article 2(2) of Law 3873/2010.

For many years now TITAN CEMENT S.A. has been implementing, on its own initiative, corporate governance principles which went beyond the provisions contained in Greek law for listed companies.

At its meeting on 16.12.2010 the Company's Board of Directors decided to officially apply the UK Combined Code on Corporate Governance (hereinafter "the Code") to the Company, as revised by the UK Financial Reporting Council in June 2010. That Code can be found on the website of the UK Financial Reporting Council [www.frc.org.uk](http://www.frc.org.uk) and a Greek translation is available on the company's website [www.titan-cement.com](http://www.titan-cement.com) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>.

The Company applies the Code, subject to the derogations cited below in section "Derogations from the Corporate Governance Code", where reasons for those derogations are provided.

### II. Reference to corporate governance practices implemented by the Company that go beyond the provisions of law, and reference to the place where they are published

In addition to the provisions of Greek law contained in Laws 2190/1920, 3016/2002, 3693/2008, 3884/2010 and 3873/2010, by officially opting to apply the UK Corporate Governance Code, TITAN CEMENT S.A. also applies the best practices proposed by that Code.

In relation to the independence criteria which must be met by the independent members of the Board of Directors, further to the criteria set forth in the legislation and the Code, the Company is also using the additional criteria set out below in the paragraph titled «Nominating candidates for the Board of Directors» in Section III of this statement. Those criteria can also be found on the Company's website: [www.titan-cement.com](http://www.titan-cement.com) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

### III. Composition and modus operandi of the Board of Directors and other administrative, management and supervisory bodies or committees of the Company.

#### BOARD OF DIRECTORS

##### Role and competences

The Board of Directors is the Company's supreme administrative body, which is exclusively responsible for determining Company strategy and its growth and development policy. Key duties of the Board of Directors are to seek to support the long-term financial value of the Company, to defend the Company's interests in general and those of shareholders, to ensure that the Company and Group comply with the laws, to bolster transparency, corporate values and the Company's Code of Conduct in all Group operations and activities, to check the performance of the Chairman of the Board of Directors, the CEO, and senior executives, to ensure the effective operation of the Company's audit mechanisms, and to monitor and resolve conflicts of interest issues between members of the Board of Directors, managers and shareholders, and the interests of the Company and Group.

The Board of Directors is exclusively responsible for taking decisions on important issues such as: approval of the Company's financial statements to be submitted to the General Meeting; approval of the annual budget; increases in Company share capital in cases where that is specified by law or the Articles of Association; issuing corporate bonds, in parallel with the competence of the General Meeting and subject to the provisions of Articles 8 and 9 of Law 3156/2003; convening

the General Meeting of Shareholders; making recommendations on issues to the General Meeting; preparing the annual management report and other reports required by the relevant legislation; appointing the company's internal auditors and appointing the Company's legal representatives and special representatives and agents. Moreover, the Board of Directors is responsible for determining the pay and other remuneration of the CEO and other senior executives of the Company and Group, recommending that the General Meeting vote in favour of stock options for executive members of the Board of Directors and staff of the Company and related companies etc.

The duties of the Chairman of the Board and those of the CEO are performed by different persons, and their powers and competences are discrete and expressly set out in the Company's Articles of Association and the Company's Internal Regulation, as in force following the recent revision approved by the Board of Directors at its meeting on 17.12.2009.

According to the Company's Articles of Association, in exceptional cases like those above where a decision of the Board of Directors is required, the Board of Directors is entitled to issue a decision transferring and assigning its management and representation powers to one or more members of the Board of Directors or to Company managers or executives, subject to express terms and conditions. Moreover, it may also transfer its powers to the Executive Committee. The scope of that Committee and how it operates are described below.

After the decision taken by the General Meeting of Shareholders on 23.5.2006 the members of the Board of Directors hold third party civil liability insurance.

### Composition of Board of Directors

The current Company Board of Directors consists of 14 members, and was elected by the General Meeting of Shareholders of 18.5.2010 and will serve for a 3-year term in office which will expire at the 2013 Ordinary General Meeting.

### Independent Board Members

The majority of the Board's members, that is 8 members, are independent, non-executive members, namely persons who have no relationship of dependence on the Company or its related parties, and meet the independence requirements laid down by Greek law. They are Messrs. Efstratios – Georgios (Takis) Arapoglou, Eftichios Vassilakis, Efthimios Vidalis, George David, Spyridon Theodoropoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vassilios Fourlis.

These persons were elected as independent members by the General Meeting on 18.5.2010 following a recommendation from the Board of Directors, which had first checked and ascertained that all of them met the independence requirements laid down by law. Although the Company had not officially adopted the provisions of the Code at the time those independent members of the Board were elected by the General Meeting, all of them, with the exception of Messrs. George David and Spyridon Theodoropoulos, also met the independence criteria specified in Article B.1.1 of the Code. Messrs. David and Theodoropoulos exceeded the limit on three terms in office specified by the Code since they were elected for a fourth time by the General Meeting of Shareholders and are currently in their tenth year on the Board of Directors. Both were elected as members of the Board of Directors by the General Meeting of Shareholders for the first time in 2001. However, the Board of Directors considered that their prestige, business acumen and personality in general ensured that they were

independent in both thought and action and for that reason it was decided that even though they had served for three terms in office, it was appropriate to re-nominate them for election as independent members to the General Meeting on 18.5.2010. It should also be pointed out that the General Meeting has unfettered discretion to elect or not elect the persons nominated by the Board of Directors as independent members.

The Board's independent members are entitled to meet without the presence of the executive members or the Chairman, in any case they consider that it is necessary. No such meeting was held in 2010.

In addition, the Board's independent members meet once a year, without any executive members or the Chairman being present, to evaluate the performance of the Chairman of the Board. Such a meeting was held for the year 2010. They also had one regular meeting in the presence of the Chairman, but without the executive members.

### Non-executive Board Members - Executive Board Members

Immediately after being elected by the General Meeting on 18.5.2010, the Board of Directors immediately convened and appointed 9 of its members, namely Messrs. Takis Arapoglou, Eftichios Vassilakis, Efthimios Vidalis, George David, Spyridon Theodoropoulos, Andreas Canellopoulos, Panagiotis Marinopoulos, Petros Sabatacakis and Vassilios Fourlis as non-executive members and 5 members, namely Messrs. Dimitri Papalexopoulos, Nellos Canellopoulos, Takis Canellopoulos, Michail Sigalas and Mrs. Alexandra Papalexopoulou as executive members.

The Board's non-executive members do not perform executive or management tasks but participate by sitting on the Board and its Committees (in fact only such members sit on committees), which mark out Company strategy, supervise the suitability and effec-

tiveness of administration, internal audit, and risk management systems, determine the level of pay for executive members of the Board, select new suitable candidates for the Board of Directors and ensure a transition plan is in place. The Board of Directors is of the view that all non-executive members elected as independent members by the General Meeting on 18.5.2010 are in fact independent.

The 5 executive members of the Board of Directors, including the CEO, Mr. Dimitri Papalexopoulos, form the main group of shareholders and are senior executives of the Company, providing services to the Company on the basis of employment contracts.

### Chairman of the Board

Mr. Andreas Canellopoulos, Chairman of the Board, is one of the Company's main shareholders, and previously served as CEO from 1983 to 1996. Since 2006 he has not performed executive and management duties and is only involved in performing his duties as Chairman of the Board, and his main concern has been to ensure the effective and efficient operation of the Board, that members collaborate harmoniously and that decisions are taken which reflect the system of principles and values which the Company has adopted. The Chairman directs the Board's meetings and is responsible for drafting the agenda of meetings, dispatching it timely to members of the Board along with the necessary information and materials, ensuring that independent and non-executive members are kept fully briefed so that they can effectively perform their supervisory and decision-making role, and facilitating communication between members of the Board and shareholders. He is also a member of the Nomination and Corporate Governance Committee established by the Board of Directors.

The Chairman has no other professional commitments and is not a member of the Board of Directors of other companies, other than

the Board of the public benefit foundation, the Paul and Alexandra Canellopoulos Foundation, which is also one of the main shareholders of the Company, and the Board of Directors of the Foundation for Economic & Industrial Research (IOBE).

### Vice-Chairman of the Board

Mr. Georgios - Efstratios (Takis) Arapoglou, an independent, non-executive member, was appointed as Vice Chairman of the Board of Directors.

### Senior Independent Director

The Board's Vice Chairman, Mr. Takis Arapoglou, has also been appointed by the Board of Directors as the Senior Independent Director who is obliged, among other things, to be available to resolve shareholder issues, which have not been resolved by executive members of the Board of Directors.

### Board of Directors Secretary (Company Secretary)

The Board of Directors has appointed the Company's attorney at law, Mrs. Eleni Papanou, as the Company Secretary, who provides legal support to the Chairman and the members of the Board. When exercising her duties the Company Secretary reports to the Board of Directors and, in hierarchical terms, does not report to any other department of the Company.

### Board of Directors meetings

The Board of Directors meets as often as the Company needs and takes its decisions by absolute majority of the directors present or represented at it. Board members who are absent or unable to attend the meeting for any reason are entitled to be represented by another member of the Board of Directors who will vote in their name. Each member is entitled to represent only one other member and vote in his name. Executives of the Company or its related companies within the meaning of Article 42e(5) of Codified Law 2190/1920

are entitled to attend meetings of the Board of Directors without voting rights, following an invitation from the Chairman, provided issues within their remit are being discussed.

The dates of scheduled Board of Directors meetings are set in the final months of each year in order to ensure the maximum possible quorum at meetings is achieved. The Board of Directors' agenda is prepared by the Chairman and is dispatched to members in good time, along with any necessary information about the topics to be discussed or on which decisions will be taken by members of the Board of Directors.

The minutes of the previous meeting are signed at each subsequent meeting. Those minutes are kept by the Company Secretary and record summaries of the views of members of the Board of Directors, the discussions which took place and any decisions taken.

#### Nominating candidates for the Board of Directors

The following rules apply to nominating candidates for the Board of Directors:

A. The majority of members which the Board of Directors proposes to be elected by the General Meeting must meet the independence criteria laid down in Greek law and the Code and well as the independence criterion adopted by the Board of Directors, namely they must not directly or indirectly hold shares in the Company accounting for more than 0.1% of its share capital.

B. Independent members of the Board of Directors are elected by the General Meeting for a term of three years and the Board of Directors cannot propose that the same persons be elected by the General Meeting for more than four three-year terms in office. Starting from the election of the next Board of Directors, the maximum limit on terms in office for independent members will be three, namely a total of 9 years of service to the Company.

C. The Chairman and at least one of the Vice Chairmen of the Board of Directors must be non-executive members of the Board of Directors and, at least one, of them must be an independent, non-executive member.

Selection of suitable candidates and planning a smooth transition for members of the Board of Directors and senior management executives is the task of the Nomination and Corporate Governance Committee. Another key function of that Committee is to ensure the necessary balance of qualifications, knowledge and experience for the members of the Board of Directors and that members of the Board can make available the time required to satisfactorily perform their duties.

In order to select suitable candidates, the Committee is, if it considers this necessary, entitled to use the services of special consultants or to publish notices. However, to date the Committee has found that recourse to such methods has not been necessary.

When new members of the Board assume their duties, they receive formal induction training. Moreover, throughout their term in office, the Chairman ensures that they constantly expand their skill sets on issues relating to the Company and become familiarised with the Company and its executives so that they can contribute more effectively to the work of the Board of Directors and its various Committees.

#### Obligations of Members of the Board of Directors

Members of the Board are obliged to attend scheduled meetings of the Board and the various Committees they sit on and to make available the time required to satisfactorily discharge their duties. To that end, before their election they are obliged to inform the Board of Directors about other important professional commitments and whether they sit on the Boards of Directors of other companies and to inform the Board of any change

in their professional commitments, and to do so as well before they join the boards of other companies. The Board of Directors has decided that its executive members may not sit as non-executive members of the boards of directors of more than two other listed companies.

#### Conflict of interests

Members of the Board of Directors are obliged to immediately disclose to the Board of Directors their interests which may arise from Company transactions and any other conflict of interests with those of the Company or its related parties. Given their access to privileged information, they are obliged not to use such information to directly or indirectly purchase or sell shares in the Company or related companies which are traded on a regulated market for their own benefit or for members of their family. They are further obliged not to disclose that information to other persons nor exhort third parties based on said privileged information they have to purchase or sell shares in the Company or its related companies which are traded on a regulated market.

#### **Board of Directors Committees**

The following Committees assist the Board of Directors in its work. They have been set up by the Board and are comprised entirely of independent, non-executive members with the exception of the Nomination and Corporate Governance Committee, on which the Chairman of the Board of Directors also sits.

The Board of Directors' Committees can also retain the services of specialist technical, financial, legal or other consultants.

#### **Audit Committee**

The Audit Committee is comprised exclusively of independent members of the Board of Directors who have extensive management, accounting and auditing knowledge and experience. The ordinary and stand-in members were elected by the General Meet-

ing of Shareholders on 18.5.2010. The Committee's extensive auditing powers include supervising the work of the Group Internal Audit Division, which reports directly to the Audit Committee, monitoring the proper and effective implementation of the internal audit system and the risk management system, auditing the financial statements before they are approved by the Board of Directors, nominating certified public accountants who are then recommended by the Board of Directors to the General Meeting of Shareholders and monitoring issues relating to the retention of their independence and objectivity and monitoring the financial reporting procedures implemented by the Company. The Committee is also responsible for supervising and monitoring the implementation of the confidential reporting procedure which involves employees reporting any infringement of Company values or the Company Code of Conduct to management via the hotline which is in operation. The Audit Committee's duties and competences and its internal regulation have been posted to the Company's website: [www.titan-cement.com](http://www.titan-cement.com) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

The Audit Committee carries out at least 4 scheduled meetings each year to audit first quarter, half-year, third quarter and annual financial statements and to monitor the Company's internal audit and risk management systems. It also holds unscheduled meetings whenever that is considered necessary.

In 2010 the Audit Committee held 4 meetings on 15.3, 10.5, 26.10 and 22.11. Moreover, its Chairman and members held a series of meetings with Company executives to prepare for the said Committee meetings. At its meetings the Committee addressed all issues within its remit, and in particular it addressed the following topics: a. an audit of the Company's financial statements to check that they were complete and reliable in terms of the financial information they provide; b. monitoring and evaluation of the work of the Internal Audit Division, approval of changes to staffing

of the internal audit services in Egypt, America, Greece and SE Europe, and evaluation and recommendations on the annual pay for the Group's Internal Audit Director; c. an audit and evaluation of the Company and Group's risk management systems; d. a check to ensure the independence of the certified public accountants; e. recommendations on the selection of an audit firm to review and audit the 2010 financial statements etc.

The certified public accountants were present at the Audit Committee's meetings relating to the half-year and annual financial statements for 2010.

#### **Remuneration Committee**

This Committee is comprised of non-executive members of the Board of Directors, at least two of whom are independent. Today, though, all members of the Committee are independent. Its task is to examine and submit proposals on all manner of pay and remuneration for members of the Board of Directors who offer their services to the Company on the basis of an employment contract or retainer fee basis and for senior management executives, fields in which the three members of the Committee have proven knowledge and experience. During the year, the Remuneration Committee with its previous line-up met twice, on 26.4.2010 and 17.5.2010 (the line-up cited above arose following election of the new Board of Directors on 18.5.2010). At its first meeting the Committee discussed in great depth the new Performance-based stock option plan (RSIP 2010) and decided to submit it for approval of the GMS on 18.5.2010. At the second meeting the Committee discussed on the general pay policy, variable pay and stock option plans for senior executives of the Company and Group and took decisions on those matters. The level of pay of the CEO and four other executive members of the Board of Directors for 2010 was also set based on their performance, as was the bonus for achieving targets and their level of participation in the profits distributed for 2009 and the number

of stock options to be granted in 2010 as part of the New stock option plan (RSIP 2010). Finally, it was decided to adjust remuneration for 2010, the bonuses for 2009 and the way in which stock options are granted to senior executives of the Company, including the Internal Audit Director, following discussions on this matter with the Audit Committee. All the above decisions of the Remuneration Committee were then submitted to the Board of Directors for approval.

The Remuneration Committee's duties and competences and its internal regulation have been posted to the Company's website: [www.titan-cement.com](http://www.titan-cement.com) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

#### **Nomination and Corporate Governance Committee**

This Committee is comprised of two independent Board members. The Chairman of the Board of Directors sits on the Committee as its third member. All members of the Committee have extensive experience in business administration and corporate governance. The task of this Committee is to recommend suitable candidates for membership of the Board of Directors, to plan for the transition and continuity of Company Management and to offer opinions on the correct implementation of Corporate Governance Principles in relation to the relevant legislation and best international practices.

The Committee, met twice in 2010 with its previous line-up, on 24.2.2010 and 18.3.2010 (the current line-up arose after the new Board of Directors was elected on 18.5.2010). At those meetings the Committee sought to draw conclusions from the responses of members of the Board to the questionnaire on evaluation of how the Board of Directors and its Committees operated in 2009, and selected suitable new candidates for the post of independent members of the Board to replace departing members of Board, Messrs. Dimitrios Krontiras and Elias Paniaras, who had served on the Board of Directors for the maximum

term in office permitted. The Committee did not avail of the services of external consultants to identify suitable candidates since it considered that the candidates it had chosen, namely Messrs. Arapoglou and Sabatacakis, met all the criteria which had been laid down on the suitability of candidates. Those criteria are as follows: both candidates must not come from sectors competing against the Company, must have in-depth knowledge and considerable international experience in the entire range of operations of the banking and financial sector and must have a strong reputation in both the Greek and international market. The Committee considered that the mix of skills, knowledge and personality of the two candidates would ideally complement the existing line-up of the Board of Directors and would make a substantive contribution to how it performed its tasks. The Committee's recommendation was accepted by the Board of Directors, which then made a recommendation to the General Meeting on 18.5.2010. The General Meeting then elected the current members of the Board of Directors.

The Nomination and Corporate Governance Committee's duties and competences and its internal regulation have been posted to the Company's website: [www.titan-cement.com](http://www.titan-cement.com) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

#### **Corporate Social Responsibility Committee**

The purpose of this Committee is to provide advice and to support Company Management in planning strategy and coordinating Group activities in the Corporate Social Responsibility sector. Its aim is to constantly improve Group and subsidiary performance in three core fields: health and safety at work, environmental protection viewed from the perspective of sustainable development and stakeholder engagement. Its activities include adopting Corporate Social Responsibility and Sustainable Development principles and integrating them into the Group's various sectors

of activity and operations; providing advice and support to constantly improve Company and Group performance; periodically measuring and assessing the environmental and social impact of the Company's major investments and regularly briefing the Board of Directors about this; and ensuring active Company participation in Greek and international Corporate Social Responsibility-related bodies. Former members of the Committee and other competent senior executives of the Company and Group are also entitled to attend Committee meetings.

In 2010 the Corporate Social Responsibility Committee held 3 meetings.

The Corporate Social Responsibility Committee's duties and competences and its internal regulation have been posted to the Company's website: [www.titan-cement.com](http://www.titan-cement.com) at the link: <http://ir.titan.gr/home.asp?pg=corporategovernance>

#### Executive Committee

The Company's Articles of Association provide for an Executive Committee, today comprised of 4 executive members of the Board of Directors and 3 senior management executives from the Group, which is responsible for supervising the operation of various Company departments and divisions, and coordinating their activities. Any of the persons who have acted in the past as Chairmen, Directors and Executive Directors of the Board of Directors are entitled to participate in the activities of the Executive Committee. Other members of the Board of Directors and persons who have served as Chairmen, CEO or Executive Directors are also entitled to participate in the work of the Executive Committee.

In 2010 the Executive Committee held 20 meetings.

#### Evaluation of the Board of Directors and its Committees in 2010

In 2010, the Company's Board of Directors held 7 scheduled meetings on 18.3, 26.4, 17.5, 18.5, 26.8, 23.11 and 16.12. It also held an additional 4 meetings of 12.1, 7.5, 22.6 and 18.4, to take decisions on then current corporate issues that needed to be addressed.

As already mentioned, during 2010 the Audit Committee met 4 times (on 24.2, 27.5, 27.8

and 16.11), the Nomination and Corporate Governance Committee met 2 times (on 24.2 and 18.3) and the Remuneration Committee met 2 times (on 26.4 and 17.5).

Below is a table showing which members attended these meetings of the Board of Directors and its Committees during 2010:

Board And Committee Meetings – Frequency And Attendance													
NAMES	Seven scheduled Board meetings			Four non-scheduled Board meetings			Audit committee Four meetings		Nomination and Corporate Governance Committee Two meetings		Remuneration Committee Two meetings		
	participation	representation	Absent	participation	representation	Absent	participation	Absent	participation	Absent	participation	Absent	
DIMITRIOS KRONTIRAS *	3/3			2/2					2/2				
TAKIS(EFSTRATIOS-GEORGIOS) ARAPOGLOU **	3/4		1	1/2		1							
DIMITRI PAPAEXOPOULOS	7/7			4/4									
EFTICHIOS VASSILAKIS	5/7	1	1	1/4	2	1	4/4		2/2				
EFTHIMIOS VIDALIS	4/7	2	1	1/4	1	2	4/4						
GEORGE DAVID	3/7	4				4						2/2	
SPYRIDON THEODOROPOULOS	6/7	1			4				2/2				
NELLOS CANELLOPOULOS	7/7			4/4									
TAKIS-PANAGIOTIS CANELLOPOULOS	7/7			4/4									
PANAGIOTIS MARINOPOULOS	5/7	2		2/4	2							2/2	
ELIAS PANIARAS *	3/3			2/2								2/2	
ALEXANDRA PAPAEXOPOULOU-BENOPOULOU	7/7			4/4									
PETROS SABATACAKIS **	3/4		1	1/2	1								
MICHAIL SIGALAS	7/7			4/4									
VASSILIOS FOURLIS	5/7	2		1/4	2	1	4/4						

\*Their term in office ended on 18.05.2010

\*\* Their term in office started on 18.05.2010

The activities of the Board of Directors, Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee during 2010 and the individual contribution of each member of the Board of Directors was evaluated by the members of the Board of Directors by filling out a special, detailed questionnaire which had been prepared by the Company Secretary. The questionnaire was divided into 5 sections (Chairman's Leadership, Line-up/ Effectiveness, Board operations /work, Responsibility /Accountability / Communication with Shareholders, and Committee Operations / Work). At the end of the questionnaire there was also a box where each member could provide his overall individual evaluation and score, ranging from 1 to 4 depending on this performance and contribution to the work of the Board and its Committees.

The questionnaires were filled out anonymously and sent to the Company Secretary.

The Nomination and Corporate Governance Committee presented the conclusions drawn from the answers to these questionnaires to the Board of Directors and submitted specific proposals on how to further improve the operations and performance of the Board of Directors and its Committees.

Moreover, the Board's independent members evaluated the Chairman's performance during their meeting, without the Chairman or other executive members being present.

#### Remuneration of Board Members in 2010

Following the preliminary approval given by the General Meeting on 18.5.2010, the remuneration for members of the Board of Directors, Audit Committee, Remuneration Committee and Nomination and Corporate Governance Committee for the year 2010 remained at the same level as in 2009. More specifically, the 14 members of the Board of Directors received a total of € 268,800 gross for their participation in the Board (€ 174,720 net, or € 12,480 for each member). The following remuneration was paid for the participation of Board of Directors members in the following Committees:

The 3 members of the Audit Committee received a total of € 38,400 (€ 24,690 net or € 8,320 each).

The 3 members of the Remuneration Committee received a total of € 19,200 (€ 12,480 net or € 4,160 each).

The 3 members of the Nomination and Corporate Governance Committee received a total of € 19,200 (€ 12,480 net or € 4,160 each).

The annual remuneration for 2010 for the 5 members of the Board of Directors who provided their services to the Company on the basis of an employment contract, the bonus they received for achieving the 2009 targets and the number of stock options granted in 2010 were decided on by the Board of Directors following a recommendation from the Remuneration Committee, based on their performance and the achievement of specific business targets.

The annual pay for the Chairman of the Board was also decided on by the Board of Directors following a recommendation from the Remuneration Committee, after the performance of his duties had first been evaluated by the Board of Directors. It should be noted that the Chairman has never participated in the company's stock option plans and consequently

no options were granted to him in 2010.

The salary and all manner of gross remuneration paid to the Chairman and the 5 executive members of the Board of Directors offering their services to the Company on the basis of an employment contract totalled € 2,007,822.74. Moreover, a total of € 311,192 was paid for their participation in the distribution of profits for the year 2009.

In 2010 the 5 executive members also received 58,500 stock options in the context of the Company's Stock Option Plan approved by the General Meeting of Shareholders on 3.6.2010. Those options will mature under the strict terms and conditions specified in the Stock Option Plan (see the description below) after 3 years have elapsed (namely in 2013).

In 2009, with the consent of the Remuneration Committee, no stock options were granted. Instead those members were entitled to an additional extraordinary remuneration tied into the price and performance of the Company's stocks at their maturity date (namely November 2011), at which time the Board members will be entitled, under certain conditions, to exercise all or part of their granted rights.

In 2010, the 5 executive members of the Board of Directors exercised in total 9,235 options to purchase ordinary shares in the Company at a purchase price of € 4 per share, whereas in 2009 they had exercised options to purchase 7,800 ordinary shares in the Company at a purchase price of € 4 per share.

Finally, following a practice advanced by the Code, the Company sets out information on the remuneration that two of the Board's executive members, Mr. Dimitri Papalexopoulos and Mrs. Alexandra Papalexopoulou, received in 2010 for their participation, as independent, non-executive members of the Board of Directors of the following companies, which are listed in the Athens Exchange.

Mr. Dimitri Papalexopoulos received the net amount of €9,633, as remuneration for his participation in the Board of Directors of EFG EUROBANK ERGASIAS and the net amount of €5,200 as remuneration for this participation in the Board of Directors of LAMDA DEVELOPMENT S.A.

Mrs. Alexandra Papalexopoulou received the net amount of €28,710 for her participation in the Board of Directors of NATIONAL BANK OF GREECE and the net amount of €8,000 for her participation in the Board of Directors of FRIGOGLASS S.A.