

CORPORATE GOVERNANCE CODE

Gr. Sarantis S.A.

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1. OBJECTIVE

The Corporate Governance Code of Gr. Sarantis SA was prepared taking into consideration the provisions of the following Laws, L. 3016/2002, L.3340/2005, L.3556/2007, L.3693/2008, L.3873/2010, L.3884/2010, and of course L. 2190/20 as currently in effect with the amendment of L. 3604/2007, as well as the company's articles of association as currently in effect.

Its objective is to describe the company's corporate governance model and specifically the policies and practices that the company's management follows when exercising its duties.

Its objective is to ensure the maximum possible transparency of the company's activities and generally of the company's operation.

2. THE BOARD OF DIRECTORS

2.1 ROLE AND RESPONSIBILITY OF THE BOARD

The Board of Directors has the authorities, responsibilities and duties stipulated by the Law, the General Meeting and the Articles of Association of the Company. Within the aforementioned context, the Board of Directors is the body that exercises the company’s management. Its duties include decision making and the responsibility to apply effective controls on all the company’s activities.

Specifically the Board of Directors is responsible for the following:

- The definition of the company’s strategy and the design of the corporate culture and general practice of the company. The application of the general policy and the responsibility to communicate decided business objectives towards lower levels. The evaluation of suggestions and proposals by Managers of the Divisions.
- The approval of the annual budget and business plan.
- The monitoring and evaluation of the effectiveness and application of the business action plan.
- The audit and approval of large capital expenditures, used to implement investment plans.
- The validity and reliability of financial statements that are to be disclosed, including the report by the Certified Auditors.
- The compliance of the company’s activities with the legislation in effect, as well as with the Corporate practice. The maintenance of an Internal Control System.
- The selection and replacement of the company’s executive leadership, as well as supervision of the succession planning
- The monitoring and arrangement of possible conflict of interest issues between the company and its senior executives, Board members or basic shareholders, including cases of mismanagement of assets or transactions with related parties.

Also, the Board of Directors:

- Is responsible for the preparation of the annual, semi-annual and quarterly financial reports, which include amongst others transactions of the company with its related companies according to article 42e par. 5 of C.L. 2190/20. Such financial reports are disclosed to the regulatory authorities, to investors and to any interested party as stipulated by the decisions issued by the Hellenic Capital Market Commission (Decisions No. (5-204/2000, 17-336/2005, 1-434/2007, 7-448/2007, 4-507/2009), circulars (circular No. 33), L. 3556/2007 and the relevant to such decisions (Government Gazette A91/2007, Government Gazette B27/2009).
- Decides on issues that concern any kind of remuneration paid to the company’s senior executives and in general the remuneration policy of the company, and it also controls the performance of senior management.
- Prepares the Corporate Governance Statement, which is included in the Annual Management Report.

In the context of its aforementioned authorities and duties, the Board of Directors acts collectively and the above decisions that are made by all the Board members, regardless of their capacity as executive, non-executive or independent.

According to the Company’s Articles of Association, the Board of Directors, by means of

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decision made by such, may assign rights and authorities related to the administration, management and representation of the company to one or more individuals, regardless of whether such individuals are Board members or not.

The manner in which the company is legally bound and represented is defined by the Board of Directors.

2.2 COMPOSITION OF THE BOARD OF DIRECTORS

The company is managed by the Board of Directors, which consists of 3 (three) to 11 (eleven) members, according to the company’s Articles of association. It is elected by the General Meeting with six-year term.

Specifically the number of the Board members is defined by the General Meeting, in the context of those defined by the Company’s Articles of Association. The current Board of Directors consists of 8 (eight) members. It is noted that in application of the provisions of L. 3016 (Govt. Gazette 110/17.05.2002) “Regarding Corporate Governance”, 4 (four) of the Board members are non-executive, while 2 (two) of the non-executive members are also independent members.

The independent members are appointed by the General Meeting of shareholders. The Board of Directors examines the suitability of an independent member nominee before such is proposed for voting at the General Meeting.

2.3 RESPONSIBILITIES OF BOARD MEMBERS

The Board members act with integrity and to the interest of the company and protect the confidentiality of the non-publicly available information by applying the company’s Internal Operation Regulation, which includes the policies for managing conflict of interests between Board members and the company, as well as policies that protect confidentiality of information.

2.3.1 Responsibilities of executive Board members

The executive members deal with day to day management issues of the company.

They are responsible and in charge of implementing the decisions made by the Board of Directors and the continuous monitoring of the company’s activities.

The Chairman presides over the Board of Directors. He is responsible to define the daily agenda, to ensure the proper organization of the Board, to carry out the activities of the Board and effectively carry out the Board meetings. He/she also ensures the prompt and correct informing of Board members, as well as its effective communication with company shareholders, in the context of fair and equal treatment.

The Vice-Chairman and Chief Executive Officer is responsible to ensure the smooth, proper and effective operation of the company, according to the strategic objectives, business plans and the action plan, as such are defined by decisions of the Board of Directors and General Meeting.

He has the responsibility to form the company’s investment policy and capital management and reports to the Board of Directors.

2.3.2 Responsibilities of non-executive Board members

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The non-executive Board members are responsible to promote all corporate issues.

The independent non-executive members do not have a dependent relationship with the company or its related parties. They have responsibilities similar to those of the non-executive members. Specifically they make estimations regarding the company’s strategy, its performance, assets, the appointment of basic senior executives and they submit, each individually or collectively, reports different to those of the board of directors towards the annual or extraordinary General Meeting, only when they deem such as necessary. Also, at least one of the independent non-executive members presides over the Audit Committee.

2.4 ELECTION OF NOMINEE BOARD MEMBERS

The Board of Directors undertakes the obligation to plan the succession of its members and to submit to the General Meeting of shareholders a list of nominee members to be voted, after previously providing adequate and prompt information to shareholders as regards the profile of nominees. The company uses the disclosure processes defined by law as regards to the provision of information.

2.5 OPERATION OF THE BOARD OF DIRECTORS

The Board of Directors meets regularly according to the company’s needs and the issues to be discussed, at least once a month. The company’s Legal Advisor, which is also an executive Board Member, keeps the minutes of the Board meetings.

The Board members have the right to request from Management through the Chief Executive Officer any information deemed necessary for the exercise of their duties.

The executive members as well as the Audit Committee inform the Board in relation to the business developments and the most significant risks to which the company is exposed, as well as the changes that are applied in legislation.

3. INTERNAL CONTROL

3.1 AUDIT COMMITTEE

Gr. Sarantis SA has established a three-member Audit Committee. The Audit Committee and the internal audit department constitute an independent objective and advisory service designed to add value and improve the operations of the organization. They assist the company in achieving its objectives by introducing a systematic and discipline methodology that aims at evaluating and improving the effectiveness of the risk management system, the internal control system and corporate governance in general.

3.1.1 The Role of the Audit Committee

The Audit Committee ensures the effectiveness of the internal control system and the risk management system applied by the company.

It ensures the independence of the internal audit department and approves the provision of information towards external auditors and relevant authorities.

It ensures that all the aforementioned mechanisms have a common target, in order thus to maximize the resulting from such benefit for the company and therefore for shareholders.

3.1.2 Operation of the Audit Committee

The Board of Directors proposes the members of the Audit Committee to the General Meeting of Shareholders.

The Audit Committee consists of three members, two of which are independent non-executive Board members and one is a non-executive member. An independent non-executive member presides over the committee.

The Committee convenes twice a year, as well as whenever deemed necessary and it prepares (if required) a report that summarizes the audit activities that took place during the previous management period. Areas that need improvement as well as company issues or problems that need to be resolved are identified. Necessary priorities are defined as regards to the required corrective actions and the proposed action plan of the internal audit department for the next management period is presented. Moreover, the work of the internal audit department is evaluated and areas for improvement are identified, as well as possible needs that must be covered.

The Audit Committee and the Internal Audit Department supplement each other and follow a common strategy in relation to the objectives of the applied audit and communicate regularly.

The head of the internal audit department monitors the meetings of the Audit Committee and discusses the audit reports with the latter. He discloses significant issues that were identified during the audit and the manner in which possible recommendations were handled. He also participates actively in defining the audit plan for the next management period.

3.1.3 Responsibilities of the Audit Committee

The Audit Committee is informed by the Internal Auditor on the progress of the audit work in relation to the annual audit plan, as well as on the results of the reviews on the control systems, the financial audits, as well as any special audit that has been assigned to such. It monitors the reports for

risk management as well as the actions applied to handle such risks, with the condition that the Internal Audit department becomes aware of such risks during the exercise of its duties. It should be noted at this point that the Management Committee is the responsible committee for management of business risks.

The Committee is informed by the Internal Auditor on cases of conflict of interests during the company's transactions with its related parties, which are identified in the course of exercising its duties. For such cases, the Audit Committee prepares and submits to the Board of Directors relevant reports.

It is informed on the validity of the financial information and the reliability of the financial statements by the company's External Auditors. It supervises any official announcement regarding the company's financial performance and reviews the basic points of the financial statements that include significant judgments and estimations by the company's Management.

It participates in defining the operation regulation of the Internal Audit department, which is reflected in the Internal Operation Regulation.

It monitors the operation of the Internal Audit department and receives knowledge of the department's quarterly reports that are reflected in the respective minutes of the Board's meetings.

It ensures the independence of the Internal Audit department.

It supervises the ordinary audit process, monitors the independence of the regular auditor and ensures that possible additional services provided by the regular auditor do not affect the objectivity of the audits and the proper application of auditing standards.

3.2 INTERNAL CONTROL SYSTEM

The Board of Directors ensures that the company's senior management has introduced, applies and maintains a proper risk management system and internal control system.

The internal control system consists of the overall procedures, methods and mechanisms – while the Board of Directors, management executives and in general all company staff with relevant responsibilities are responsible for applying such – and is designed to provide a desirable level of assurance regarding the achievement of the following objectives:

- The efficiency and effectiveness of different operations (business cycles).
- The reliability of financial information.
- The compliance with the laws and regulations in effect.

The company has an appropriately staffed Internal Audit department.

The department's responsibilities are described in the company's Internal Operation Regulation.

The Internal Audit department reports to the Board of Directors and the Audit Committee, while it is supervised by the Audit Committee.

4. COMMITTEE

4.1 MANAGEMENT COMMITTEE

The Management Committee, is the highest advisory and supervisory body of the Company, following the Board of Directors.

Members of the Committee:

- Chairman: Chief Executive Officer
- Participants: Chief Financial Officer
- Legal Advisor
- Supply Chain Manager
- Marketing Manager
- Sales Manager
- Director of Global Activities
- Business Units Directors

The Committee convenes once a month, or whenever deemed necessary.

The findings of the committee, after validated and approved by the Chief Executive Officer, are forwarded to the respective Project Owner for implementation.

Usual issues in the agenda of the Committee’s meetings include the following:

- Review of annual budgets, amendment or verification according to the case.
- Monitoring the general progress of the company on a monthly basis. Comparisons are made on actual results with those budgeted, significant deviations are explained and relevant decisions are made.
- Review of projects underway and comparison with the expected results according to the development plan.
- Human resources issues.
- Internal audit issues.
- The company’s development strategy (new markets, new products, acquisitions etc).
- Evaluation of the risks faced by the company and strategies for management – minimization of such risks.
- Issues that concern corporate governance.

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5. PROCESS FOR DEFINING REMUNERATION OF BOARD MEMBERS

The objective of the process is to define the standards and common acceptance of a course where the objectives and visions of Shareholders will coincide with the incentives of Board members.

Moreover, the design and description of quantitative and qualitative objectives that the relevant parties agree to and direct their efforts and dynamics.

The objective is coherence in business actions and effectiveness of business practices, as well as consolidation of a sense of justice between executives, given that equal efforts and results are evaluated in the same way.

5.1 EVALUATION OF EXECUTIVE BOARD MEMBERS

The process for evaluating executive Board members, as an approach, generally does not differ from the evaluation process for Senior Executives.

The remuneration of executive Board members consists of a wage, bonuses that are directly linked to the company's annual performance, as well as other benefits.

The Chief Executive Officer and the Head of Staff are responsible for the evaluation and implementation of the remuneration of executive Board members.

The objectives are set at the beginning of each calendar year and are reviewed at the beginning of the next year (after the finalization of amounts set as targets).

Specifically, the evaluation for the bonus is based on corporate objectives, which are set during the process of submitting the annual budgets, per corporate entity and business operation, and is supervised and finalized by the Chief Executive Officer. The audit of budget amounts takes place regularly and is carried out by the Management Committee, while the frequency of reports on comparative budgeted – actual amounts is daily when deemed necessary.

5.2 EVALUATION OF NON-EXECUTIVE BOARD MEMBERS

The evaluation of non-executive members usually takes place in the context of the general evaluation of the efficiency of committees in which such participate.

The remuneration of non-executive Board members is approved by the General Meeting of shareholders following a proposal by the Board of Directors.

The remuneration concerns annual salaries of non-executive members, and does not include bonuses, stock options and other benefits. It is linked to the responsibilities and duties assigned to such members, as well as to any possible additional participations or presidencies in Board committees.

6. COMMUNICATION WITH SHAREHOLDERS

The company maintains a website that posts issues and information that concerns shareholders, both in Greek and in English. The information includes financial data, information regarding corporate governance and management of the company as well as other announcements such as insider transactions, share buybacks, important business news, such as acquisitions, establishment of subsidiaries, company sales etc.

Moreover, contact information both of the company’s Chairman and of the head of the investor relations and shareholders’ service department is available to shareholders for direct communication.

Regarding the General Meeting and according to the provisions of L. 3884/10 the company is obliged to post on its website at least twenty (20) days prior to the date of the General Meeting, the following information both in Greek and in English.

- The date, time and place that the General Meeting will take place.
- The basic rules and practices for participation in the meeting including the right to list issues in the daily agenda and submit questions, as well as the deadlines within which such rights may be exercised.
- The voting process, the terms for representation through proxy and the documents used for proxy voting.
- The proposed daily agenda for the meeting, including draft resolutions to be discussed and voted, as well as any accompanying documents.
- The proposed list of nominee Board members and their CVs (given that there is an issue for election of members), as well as members of the Audit Committee respectively.
- The total number of shares and voting rights during the date the Meeting is convened.
- A summary of the minutes of the General Meeting will be posted on the company’s website within fifteen (15) days after the General Meeting, both in Greek and in English.

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7. EFFECT AND AMENDMENT OF THE PRESENT

The present Corporate Governance Code is in effect from January 31st 2011.

The present Code may be amended following a request by members of the Board of Directors.

Amendments of the Corporate Governance Code are approved by means of a decision by the Board of Directors.