



DROMEAS SA

CORPORATE GOVERNANCE CODE

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Preface

The Corporate Governance Code herein has been drawn up by «DROMEAS SA» and aims at recording the corporate governance best practices, applied by the company both on its own initiative and pursuant to the legislation in force (L. 2190/1920, L. 3016/2002, L. 3693/2008, L. 3884/2010, etc.). The principles of corporate governance affect the operation and procedures across the Company's activities and pursuing transparency in management, so as to provide equally to all interested the relevant pieces of information which enable them to have an active role in its operations.

For the preparation of the aforementioned Code, the draft Corporate Governance Code for Listed Companies, published for consultation by SEV (Hellenic Federation of Enterprises) in January 2011.

The main objective of this Code is:

- I. The study and adoption of best practice of Corporate Governance.
- II. The Improvement of information on individuals or institutional investors, both Greek and foreigners and
- III. The creation of an accessible and comprehensive reporting system on which to base the corporate governance statement, which according to Law 3873/2010, is now a special section of the annual management report of the Board of Directors (BoD).

General Principles

I. BoD role and responsibilities

The board's role is to provide entrepreneurial leadership to the company and run its affairs for its benefit and the benefit of all shareholders, ensuring that the Management adheres to the corporate strategy. The board should ensure fair and equitable treatment of all shareholders, including minority and foreign shareholders.

Another board responsibility is to take due regard of other stakeholder interests including those of customers, creditors employees and social groups, directly affected by the company's operation

II. BoD size and composition

The board size and composition must allow for effective exercise of duties and must reflect the corporation's size, activity and ownership regime. The board must be characterized by a high integrity level, diversity of knowledge, qualifications and experience matching the corporate objectives.

III. BoD Chairman role and required properties

The Chairman is responsible of board leadership. The Chairman is responsible for setting the board's agenda and ensuring good organization and effective carrying out of BoD meetings and works. The Chairman is responsible for ensuring that directors receive accurate, timely and clear information; the Chairman should ensure effective communication with shareholders, based on fair and equitable treatment of shareholders' interests.

IV. BoD members' duties and behaviour

Every board member has the duty of loyalty to the company. Board members must act with integrity, in the interest of the corporation, safeguarding the confidentiality of publicly unavailable information. Members must not place themselves in a competitive position vis-à-vis the corporation and must avoid any position or activity creating or liable to create a conflict between their interests and the corporation's interests, including holding a post in the board of directors or management of a competitive company, without prior permission by the General Meeting. Board members must contribute their experience and dedicate in their duties the time and attention required. Moreover, they must limit any other professional engagements (participations in other companies' BoD's particularly) only to the extent required for their satisfactory performance as board members. Finally, board members must seek to take part in all board meetings and committees where they are positioned.

V. Appointments of prospective members to the Board

The search for board candidates should be conducted, and appointments made, on merit, based on objective criteria. The board should ensure orderly succession of its members and senior management, aiming at long term business success.

VI. BoD Function

The board should meet regularly enough to discharge its duties effectively. Information communicated by the Management or any Committee must be prompt, to enable the board to effectively carry out its duties deriving from its responsibilities.

VII. BoD Evaluation

The board should regularly undertake an evaluation on its own performance and on its committees.

VIII. Internal Audit System

The board should present to its shareholders and the public a clear evaluation of the actual position and perspectives of the company, ensuring the reliability of financial statements and the soundness of announcements, when imposed.

The board must preserve an effective internal audit system, in order to secure the company's investments and fixed assets, as well as to identify and deal with the most important risks. It must regularly review the main risks an enterprise is facing and the internal audit system's effectiveness in managing such risks. The review should cover all substantial controls, including financial and operational controls, compliance control and risk management systems controls. The board, through the audit committee, must develop a direct and regular contact with internal and external auditors in order to receive regular information by the latter with regard to the audit system sound operation.

IX. Remuneration level and structure

Levels of remuneration and their structure should be sufficient to attract and retain board members, management executives and employees at the company, adding value to the latter with their skills, knowledge and experience. Levels of remuneration must match individual qualifications and performance. The board should have a clear picture on executive remuneration policy and particularly for executives having the appropriate qualifications to run the company effectively.

X. Communication with shareholders

The board should seek continuous and constructive dialogue with the company's shareholders, focusing particularly on shareholders with long term perspectives and significant shareholdings.

XI. General Shareholders Meeting

The board must ensure that the General Shareholders Meeting preparation and realization facilitates effective exercise of shareholders' rights, who must be fully informed on all issues pertaining to their participation in the General Meeting, including the items on the agenda and their rights during the General Meeting. In the context of statutory requirements, the board must facilitate participation of shareholders in the General Meeting, particularly of minority shareholders, foreign shareholders and of anyone living in remote areas. The board must utilize the General Meeting to facilitate substantial and open dialogue between shareholders and the company.

Part A-BoD and its members

I. Role and Responsibilities of the Board of Directors

The Board of Directors (BoD) exercises the management of the corporate property and the representation of the company. It decides for all matters relating to the company as part of its corporate objective with the exception of those under the law or the statute are the sole responsibility of the General Meeting.

The BoD may, only in writing, delegate the exercise of all powers and responsibilities (except those that require collective action) and the representing of the company as well as and the right to sign under the corporate name and commitment to one or more persons, members or not, determining simultaneously the extent of this award

II. Size and Composition

The company is managed by a Board consisting of five (5) to nine (9) members. The members are elected from the General Meeting of the shareholders of the company for six years. The members of the Board may be reelected and withdrawn.

The members of the BoD are divided into executive and non executive. The number of the non executive members is the third (1/3) of the total number of the Board Members. Among

them there two (2) independent members who meet the conditions of independence i.e. during their term of office may not hold shares more than 0.5% of company' s share capital and not being subordinated to the Company or related parties as defined by applicable law.

The status of the members of the BoD as executive and non- is defined by the BoD, whereas the independent members are appointed by the General Meeting. If a provisional member is elected by the BoD as a replacement of another independent member who has resigned, ceased to exist or for any reason became forfeited, the member who is elected, must be also independent.

The names of the Board members, independent non-executive and committee members are published on the corporate governance statement.

III. Board Meetings

The Board ought to meet whenever the statute, the law or the company needs require. The meetings are normally at company headquarters, but the Board is permitted to place the meeting in time in the corporate facilities, in the territory of the municipalities of Athens and Thessaloniki.

The Board is convened by the President with an invitation which is communicated to the members at least two (2) working days before the meeting. In the invitation must necessarily be shown clearly the issues on the agenda, otherwise the decision is only permitted if only all the members of the Board are presented or represented and nobody objects to decision making. The convening of the Board may be asked by two (2) of its members with a request to the President or to his Deputy, who ought to convene it within seven (7) days from the request. They should be clearly stated under penalty of inadmissibility, all the issues that they will be discussed at the Board. Unless the Board is convened by the President or his Deputy within that period, the members who have requested the convocation are allowed to convene the Board within five (5) days after the expiring of the seven (7) days period, disclosing the invitation to the rest members of the Board.

A member of the Board who is absent can be represented by another member. Each member can represent only one absent member.

The Board is in quorum and convenes validly when present or represented at this half plus one of the members, but the number of the present members shouldn't be less than three (3). Resulting fraction shall be disregarded.

Unless otherwise provided by law, the Board decisions taken lawfully by the absolute majority of those members present and represented. In case of a tie the vote of the Chairman of the Board, does not prevail.

The discussions and decisions of the Board are written briefly in a special book that can be kept in a computer system. Upon request of a member of the Board, the Chairman or the President is obliged to record in the minutes the accurate summary of his opinion.

The minutes of the Board are signed by the chairman or his deputy, or the CEO. Copies of the minutes are officially issued by these persons without further requirements of ratification. The preparation and signing of minutes of all board members or their representatives constitutes a decision of the Board, even though there has been no meeting.

IV. BoD members' duties and behavior

Foremost obligation and duty of the Board members is to constantly seek to enhance the long term value of the Company and the defense of the general corporate interest.

The Board members and any third person entrusted with responsibilities are forbidden to pursue interests in accordance with those of the company for personal gain.

Members of the Board and any third person entrusted with responsibilities, must promptly disclose to the other members their own interests as well as the conflict of interests with those of the company or affiliated companies that may arise during the performance of their duties or from transactions of the Company which fall to their duties.

Members of the Board, and any person assigned responsibilities, are required to ensure the confidentiality of information concerning significant events of the company until its publication.

The BoD has the obligation to declare public the company's position in cases of published rumours, unconfirmed or leak information which can significantly affect the value of company shares.

The President chairs the Board having the responsibilities of setting the agenda, ensuring the proper work organization of the Board, and the effective conduct of its meetings. Besides, the President is responsible of ensuring the timely and accurate information of board members and the effective communication with all shareholders, based on fair and equitable treatment of interests of all shareholders.

V. Responsibilities of BoD members

In the BoD participate as executive members individuals who are involved in the daily management issues, whose specific responsibilities are defined by its decision.

VI. Responsibilities of non BoD members

The non-executive members participate in decision making and monitor the activities of the company. They are responsible with the promotion of all corporate issues; they participate in any boards and committees and are particularly responsible for defending the principles of good corporate governance.

The non-executive members maintain their independence in the investigation of issues, in order to provide meaningful work and build confidence between the BoD the senior executives and managers.

The non-executive Board members need to know in depth both the operation and the core objects of the company as well as the company's market and for this reason they enjoy every facility. Generally, any non-executive member cares for his continuing education in order to contribute effectively and efficiently to the proper and efficient operation of the company.

The independent members have the right to make each or together, reports, separate of those of the Board of Directors, to the General Meeting if they deem that necessary.

VII. Evaluation of BoD members

The Assessing of effectiveness of the Board and its Committees should take place at least once every two years and based on specific process. This process will be chaired by the Chairman of the Board, the President of each committee, and the results will be discussed by the Board. According to the evaluation, the President should take steps to address the identified weaknesses.

Part B-Internal Audit & Risk Management

I. Audit Committee

It consists of at least two non-executive members and one independent non-executive member of the BoD. All members of the Audit Committee are appointed by the General Meeting of

shareholders, the independent non-executive member of the Audit Committee must have demonstrated proficiency in accounting and auditing

The Audit Committee, without limitation, has the following obligations, without altering or reducing any obligations of members of the management appointed by the General Meeting of Shareholders:

- a) Monitor the process of financial reporting
- b) Monitoring the effective operation of internal control and risk management system and monitoring the proper functioning of the internal audit unit of the controlled entity
- c) Monitoring, tracking the statutory audit of individual and consolidated financial statements
- d) Review and monitor issues related to the existence and maintenance of objectivity and independence of statutory auditors or audit firms, particularly in providing the audited entity other services by the auditor or audit firm.

The proposal of the BoD to the General Meeting for the appointment of a statutory auditor or audit firm has the recommendation of the Audit Committee. The statutory auditor or audit firm must report to the Audit Committee any matter relating to the progress and outcome of the statutory audit and to deliver a special report on weaknesses in internal control, in particular, the weaknesses of procedures for financial reporting and the preparation of financial statements.

The main duties and responsibilities of the audit committee should be determined written in the internal regulation of the company.

II. Internal Audit

The audit performance is conducted by a qualified service of the company.

Internal auditors in the performance of their duties shall be independent, not subordinate to any other unit of the company and are supervised by the Audit Committee. The Internal auditors are appointed by the Board of Directors (BoD) and are full-time employment. They can not be appointed as internal auditors Directors, Managers who have other occupations except the internal auditing nor are relatives up to second degree by blood or marriage.

In exercising their duties, internal auditors may examine any book, document, record, bank account and portfolio company and have access to any service of the company. The board members must cooperate and provide information to auditors, and generally to facilitate them

in every way in their work. The management team should provide internal auditors all necessary means to facilitate their work

The internal audit department has, indicatively, the following responsibilities:

- a) Monitor the implementation and ongoing compliance with internal regulation and statutes of the company and the general legislation on the company and especially the law of limited liability companies and brokerage firms.
- b) It reports to the BoD conflicts of private interests of board members or executives of the company with the interests of the company, which finds in the exercise of its duties.
- c) Internal auditors must inform in writing at least once a quarter the Board for review carried out by them and to attend general meetings of shareholders
- d) The internal auditors shall offer, after approval by the BoD, any information requested in writing by supervisors, working with them and facilitate them in every possible way they carry the project monitoring, control and supervision.

Further, the responsibilities of internal audit include additionally the following:

- a. Monitoring compliance with its obligations under the decisions of the Securities Commission.
- b. Monitoring compliance with the commitments contained in prospectuses and plans of the company regarding the use of funds raised from the stock market,
- c. The legality of the fees and all sorts of benefits to members of the administration regarding the decisions of the competent institutions of the company,
- d. The control of relationships and transactions between the company and its affiliated companies within the meaning of Article 42e, paragraph 5 of Law 2190/1920, as well as relations between the company and companies in the capital of which involved at least 10% of members of the Board or its shareholders with at least 10%. ___

III. Organizational Structure – Authorizations

The company should have a corresponding structure of service units along with a specific Chart, which makes clear the structure of its operation and should also has an internal regulation in accordance with the legislation for listed companies where they are stated the roles and objects of activity.

IV. Information System & Communication

The company should have developed the corresponding information system to ensure that appropriate information concerning the financial reporting is secure.

The information provided should be reliable, complete and on continuous basis to ensure effective assessment and the required judgments are made on the part of the Administration to evaluate the financial performance of the company.

The information system should provide the elements which ensure the continuous monitoring of the progress of financial results compared with those budgeted, allowing evaluation of performance and deviations identified by the Company's management.

The information provided will be protected by adopting appropriate procedures in matters of discretion and irregular use, ensuring its integrity and its safe management

V. Risk Management

The Company has to establish related policies and procedures that ensure effective risk management activities, supporting and maintaining the overall internal auditing system and financial reporting

The statutory policies should protect and guide the management actions which aim to ensure the smooth operation of the Company's activities related to maintaining the integrity, reliability and accuracy of its financial information.

The statutory policies should ensure the safe protection and preservation of elements of the computer system from which it derives financial information, the proper handling, and the reconciliation of financial data for the compilation of financial and accounting records in each period

The Audit Committee and the Internal Auditors meet together at least once a year with the specific purpose of reviewing the major risks facing the company and the effectiveness of internal control system, as regards as the management of those risks. The review covers all material controls, including financial and operational controls, monitoring compliance and monitoring of risk management systems, as well as improving risk management policies. Afterwards they announce in the BoD their related remarks, comments and suggestions.

Part C-Remuneration Policy

General

1. The remuneration fixing process must be characterized by objectivity, transparency and professionalism and be free from conflicts of interest.
2. The criterion for remuneration to Board members, executives and employees of the company should be to create long-term corporate value, promoting meritocracy and the balance between short and long term performance. In this way the company manages to attract and retain personnel with suitable qualifications and skills.
3. The primary responsibility of the Board on the provision of salaries to members consists in determining the remuneration of executive and non executive members. Specifically with regard to executive directors their pay should be linked to corporate strategy, the company's objectives and achieve them with a view to creating long term value to the company
In the non-executive members, their remuneration reflects the time of employment and responsibilities, without directly linked to the performance of the company so as not to discourage any opposition to placing towards administration regarding issues with high business risks.
4. The remuneration of directors is pre-approved by the Board with final approval for both executive pay and fees for non-executive members given by the General Meeting of the Shareholders.

Part D-Relations with Shareholders-Investors

I. Communication with shareholders

The Board must ensure the existence of continuous and constructive dialogue with the shareholders of the company, particularly with those that have significant interests and long-term perspective. The BoD must ensure in any case the equitable treatment of shareholders including minority shareholders and foreign shareholders.

Apart from meetings with investors and relevant presentations by the CEO, the CFO, the Head of Investor relations and other executives, the President of the Board and CEO should attend meetings with major shareholders on broader strategic issues and corporate governance and then must inform the Board about the positions of those shareholders The President should ensure that the positions of shareholders are made known to the Board

The company must maintain an active website, where it publishes a description of its corporate governance, administrative structure, ownership structure, and other useful information for shareholders and investors.

II. General Shareholders Meeting

The General Shareholders Meeting is the supreme organ of the company, which is convened by the Board and is entitled to decide any case involving the company. The legal decisions are binding and shareholders who are absent or disagree. In the General Shareholders Meeting the shareholders are entitled to participate in person or through duly authorized representative, according to its intended legitimate process. The General Shareholders Meeting is responsible for deciding on issues such as:

- a) Extended time, merge, split, conversion, revival or liquidation of the company,
- b) Amendment of the Constitution,
- c) Increase or decrease of the share capital,
- d) Issue of loan debt,
- e) Election of BoD
- f) Election of auditors and determination of their remuneration,
- g) Appointment of liquidators
- h) Disposal of Net Profits,
- i) Approval of Annual Financial Statements.

The Board must ensure that the preparation and conduct of the General Meeting of shareholders facilitate the effective exercise of shareholder rights, which should be fully informed on all matters relating to their participation in the General Meeting, including on the agenda, and their rights during the General Meeting.

In conjunction with the provisions of Law 3884/2010, the company must display on the site of twenty (20) days before the General Meeting, information about

- the date, time and place for convening the General Meeting of Shareholders
- basic rules and practices of participation, including the right to put items on the agenda for questions and time limits within which these rights can be exercised
- voting procedures, terms of representation by proxy and the used forms for voting by proxy, the proposed agenda for the meeting, including draft decisions for discussion and vote, and any accompanying documents and
- the total number of shares and voting rights at the date of convening

The Chairman of the company, the CEO, Directors and Chairmen of Committees of the Board must attend the General Meeting to provide information and briefing on issues raised for discussion and for questions or clarifications, as requested by shareholders. Besides in the General Meeting of Shareholders must be present and the Head of Internal Audit Committee of the Company. At the General Meetings, temporary chairman is the President of the Board, which sets one who will assume temporary secretary. After validating the list of shareholders entitled to vote, the General Meeting shall elect immediately definitive Bureau, composed of the president and secretary who perform the duties of tellers.

The decisions of the General Meeting should be adopted in accordance with the provisions of existing legislation and statute of the Company

Summary of Decisions of the General Meeting of Shareholders shall be available on the website no later than the day of the ongoing, translated into English, if the latter is imposed by legislation and / or ownership structure of company

The President of the General Meeting shall have sufficient time for questions from shareholders. In the General Meeting of the Company should be able to participate and vote every shareholder who appears as such in the records of the organization which owns the securities of the company. A shareholder may appoint a representative if desired. The exercise of these rights is in accordance with the applicable law

SERRES 24/3/2011

The President of Board

Athanasios Papanagiotou