

**PERFORMANCE MONITORING FRAMEWORK:
MONITORING OBJECTIVES AND REPORTING FRAMEWORK
CORPORATE GOVERNANCE**

Executive Summary

This document describes the practical implementation of both hard and soft law rules on accountability, transparency and disclosure, within the “Hellenic Corporation of Assets and Participations S.A.” (the “Corporation”), as well as from / to its shareholder, direct subsidiaries and their subsidiaries, including companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries.

Specifically, the document depicts the framework for monitoring the performance of the Corporation and of its direct subsidiaries and SOEs, which is effected mainly via internal and inter – corporate reporting.

In addition, the document describes external reporting for the facilitation of the disclosure of information to the shareholder and the public, in order to ensure transparency and to attract investors’ interest (where needed).

1 Introduction

1.1 General description

Companies that by their nature serve the public interest, should comply with high standards of corporate governance and transparency and should apply high quality standards and compliance procedures. Corporate governance and disclosure in this respect must be at a level at least equivalent of that applicable to listed companies.

The “Hellenic Corporation of Assets and Participations S.A.” (the “Corporation”) is established and operates, according to its founding law 4389/2016 in the public interest.

The Corporation’s scope, as described in article 185 of Law 4389/2016 (“the Law”), is the asset management and use of assets of the Greek state in order to contribute to: *a) the economic development of the country through investment and b) the country’s financial obligations impairment in accordance with law 4336/2015.*

To fulfil its purpose, the Corporation acts in an independent, professional and entrepreneurial manner with a long-term perspective in the achievement of results, in accordance with its Internal Regulation, guaranteeing full transparency, with the aim of enhancing the value and improving return on the aforementioned assets, as well as generating revenue that shall be allocated pursuant to the provisions of law 4389/2016.

The Corporation further promotes reforms in public undertakings, including through restructuring, optimal corporate governance and transparency, as well as accountable administration, social responsibility, sustainability, innovation and best corporate practice.

In this context, this document refers to the main rules, principles, and guidelines set by the Corporation in order to review its performance, through reporting mechanisms, in line with its purpose and according to the Law, the Internal Rulebook, as well as the specific objectives set in the relevant ownership policy.

The same applies to the Corporation’s direct subsidiaries’ and indirect subsidiaries (i.e. SOEs). This text analyses the type, content and the adopting and disseminating process of disclosure of information to stakeholders (shareholders, society, etc.) about important corporate issues, related to the Corporation, its direct subsidiaries as well as to companies that the direct subsidiaries hold shares of them directly or indirectly, in whole or in part.

For this document, regulatory and best practice principles are taken into account such as Law 4389/2016, OECD’s Accountability and Transparency Guide for State Ownership, Hellenic Corporate Governance Code for Listed Companies as well as World Bank’s Corporate Governance Toolkit of SOEs.

The areas that are developed in this document are the following:

Setting objectives: In order to define the accountability and assignment of responsibilities, the expected objectives for each entity are set from its ownership entities.

The objectives are defined at different levels, namely: firstly, the shareholder pertinently specifies as an owner, with the Ministerial Guidance its strategic guidelines, minimum holding requirements for HCAP’s assets and the assets of the direct subsidiaries, as set out

in the section of the Internal Regulation that sets out the framework for the Strategic Plan. The Strategic Plan then sets out objectives for the Corporation. The Coordination Mechanism section sets out the process for setting objectives for the indirect subsidiaries.

Reviewing and monitoring performance in general: According to the Corporation's Internal Regulation, the Corporation reviews the performance of its direct subsidiaries and the management of their property in an efficient and timely manner allowing prompt reaction in case of discrepancies from the defined goals. In order to establish a monitoring system on a continuous basis, the following methods must be used:

- Arrangement of regular meetings with members of the governing bodies,
- Reporting through the holding companies' representatives of subsidiaries governing bodies,
- Implementation of management information systems
- Updates concerning the performance of relevant peers in the same industry, and of similar size.

Reviewing and monitoring performance through reports, in particular:

- Ongoing performance monitoring with the submission of monthly or quarterly progress reports a) by the indirect subsidiaries (i.e. SOEs) to the direct subsidiaries, b) by the direct subsidiaries to the Corporation, and c) by the Corporation to the shareholder.
- Regular performance review with the preparation, and disclosure of aggregate reports from all participating entities (Corporation, direct subsidiaries as well as companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries). The reports contain and analyze at least such issues as: the implementation of the Strategic Plan, the provision of Services of General Economic Interest, as agreed in the "Performance Contracts" output of the Coordination Mechanism process, and any other target included in the "Statement of Commitments" framework of the Coordination Mechanism, such as financial performance reviews, information on corporate governance and the application of corporate governance code, information on the implementation of risk management policy, investment policy, remuneration policy, related party transactions policy including transactions between the Corporation and its subsidiaries as well as transactions between subsidiaries, information on Corporation's activities as well as information on human resources management, health and safety policies, information security policies, environmental and natural resources issues, corporate social responsibility actions, etc. Where relevant in the case of reporting by the SOEs, reports should include local and global economic conditions affecting the Company, and the effect of the Company's operations on them.

Information disclosure: In the context of serving the public interest, it is necessary that all material information on the performance be disclosed to the general public promptly.

Appropriate tool for the dissemination of information to the public is the use of a website which must be updated regularly with the relevant information.

1.2 Regulatory framework

This document reflects the framework adopted by the Corporation, its direct subsidiaries and indirect subsidiaries (i.e. SOEs) in order to be in compliance with the Law. The performance monitoring and reporting framework of the Corporation constitutes a part of its Internal Regulation. The same applies to its direct subsidiaries and indirect subsidiaries (i.e. SOEs).

1.3 Purpose

In this document, the general framework is set for application of principles about:

- a) internal governance of the Corporation (and its direct subsidiaries as well as companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries) regarding the information exchange mechanism between the shareholder and the Management / Corporation's executives and
- b) dissemination of information to be given to the parliament, the general public and other stakeholders.

Specifically, the purpose of this framework is:

- The introduction of Corporation's general principles for the update from its direct subsidiaries about the strategy and the targets set by the only shareholder. The information and monitoring mechanism includes the configuration and continuous confirmation and review of the desired outcome for the Corporation, its subsidiaries and the society, as the outcome is presented, among others, to companies' so called "Performance Contracts" and "Statement of Commitments".
- The monitoring of the performance of companies according to each time configured strategy as well as performance outcomes presented to "Performance Contracts" and to each company's "Statement of Commitments", through reports, in accordance with the above and the provisions of the Coordination Mechanism part of HCAP's Internal Regulation.
- The setting of general principles for editing quality corporate reports.
- The recognition of information that will be provided to stakeholders.
- The definition of measures in order to implement the communication strategy and to achieve transparency to stakeholders (the general public mainly) through the systematic use of the corporate website.
- The definition of procedures for collecting and processing relevant information for the preparation of corporate reporting and for posting to the corporate website, as well as the delegation of responsibilities to personnel in order to undertake and fulfill their responsibilities and obligations arising from this document.

1.4 Scope

This framework concerns mainly the obligation of the "Hellenic Corporation of Assets and Participations S.A." (the Corporation) to monitor its direct subsidiaries and the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries, as well as the obligation to regularly report to the only shareholder.

The reports submitted by the Corporation are aggregate and contain information on the performance of the Corporation, its direct subsidiaries, and the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries.

Corporation's direct subsidiaries have the same obligation of monitoring companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries and submitting performance reports to the Corporation. Therefore, the proposed monitoring and reporting framework, may, refer also to the direct subsidiaries as well as to the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries (i.e. SOEs) with the adaptations necessary to reflect each entity's characteristics and structure.

1.5 Definitions

Corporate Governance: the way companies are managed and controlled. According to OECD, corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders.

Direct subsidiaries are the companies mentioned in Article 188 of Law 4389/2016.

Internal Controls: internal control has been defined as a process, effected by an entity's board, management and other personnel, designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Risk Management: the set of processes implemented by the Board, management, and employees of any company in the formulation of the strategy, in order to identify potential events that may affect the company, the risk management within the desired limits and the reasonable assurance regarding the achievement of company objectives.

Strategic Plan: a document outlining HCAP's vision and targets and the strategy for achieving them. The Strategic Plan of the Corporation, is published in the Corporation's website. If the Strategic Plan contains commercially sensitive information, then only an edited version of it shall be made publicly available. Such an edited version should specify which sections of the full report have been omitted and why. Key Performance Indicators (KPIs): financial and nonfinancial metrics that validly reflect the current and future performance of a company.

State Owned Enterprise (SOE): any corporate entity recognized by national law as an enterprise, and in which the state exercises ownership through the Corporation and its direct subsidiaries.

General Meeting: the supreme body of the company. The responsibilities of the General Meeting of the Hellenic Corporation of Assets and Participations S.A. defined by the relevant legislation (Law 4389/2016).

Supervisory Board: governing body, responsible for the supervision of the Board of Directors of the Hellenic Corporation of Assets and Participations S.A. in order to ensure that it operates in accordance with the provisions of Law 4389/2016, of the Articles of Association, and the Internal Rulebook, in the Corporation's and in the public interest.

Board of Directors: governing body, responsible for the management of the Hellenic Corporation of Assets and Participations S.A. and for the achievement of its statutory objectives.

2 Setting objectives to Corporation, direct subsidiaries and to companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries

Prerequisite for accountability of tasks for performance monitoring and reports preparing is the clear definition of the overall strategy and the objectives for the Corporation by the shareholder. The business purpose of the companies and the needs of society, citizens and other stakeholders must be taken into account, in order to define the strategy. Shareholder's vision and overall expectations are defined within the "Ministerial Guidance", in line with which the Corporation's Strategic Plan is written.

The following actions must be taken on, in order to set objectives for the Corporation, the direct subsidiaries and the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries:

- Development of the "Ministerial Guidance" in line with which the Corporation's Strategic Plan is written and contains indicatively the minimum holding requirements for HCAP's assets and the assets of the direct subsidiaries and reasons for them such as documentation on divestiture of public enterprises, or increase of state's holdings in public enterprises.
- Adoption of policies and specifically investment policy, risk management policy, conflict of interest policy, confidential information policy.
- Adoption of internal regulations and rulebooks and best practices documents (e.g. OECD and other organisations' guidelines, corporate governance principles – the Hellenic Corporate Governance Code is suggested or any other well recognized corporate governance code) for the relations between the governing bodies, management and shareholder (board members' election process and responsibilities, board members' remunerations), etc.
- Definition and reviewing SOE mandates in order to set the main line of business, their mission as well as the expectations regarding market positioning, quality of service, commercial objectives, social policies, etc. Shareholder's mandate for HCAP is expressed into law 4389/2016 and in the Corporation's Strategic Plan accordingly, while the SOEs mandates are drafted based on the provisions of the "Coordination Mechanism" part of the Corporation's Internal Regulation.
- Agreement between the Corporation and its direct subsidiaries for setting specific targets to them which will be constantly monitored and revised. These targets concern targets that are drawn both from the "Performance Contracts" and the "Statement of Commitments". "Performance Contracts" and the "Statement of Commitments" are described in the Coordination Mechanism chapter of Corporation's Internal Regulation.

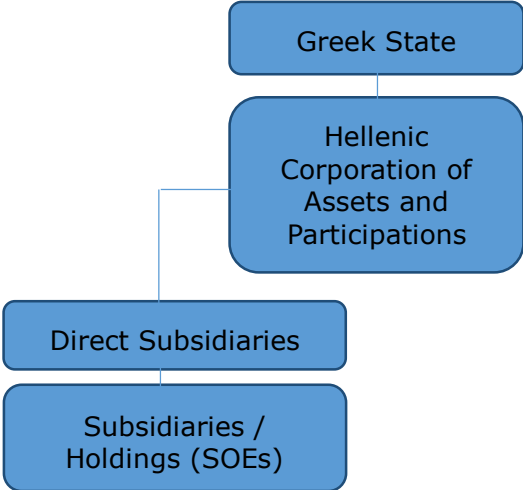
3 Reviewing Corporation, direct subsidiaries and companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries performance (Reviewing and Monitoring Performance)

3.1 Corporation’s organisational structure and reporting lines

The Greek state, represented by the Minister of Finance is the sole shareholder of the Corporation. The Corporation has four (4) direct subsidiaries to which the state has transferred its assets and share capital as defined to the founding Law.

The General Meeting of shareholders (the Greek state as sole shareholder) is the supreme body of the Corporation. The other governing bodies of the Corporation are the Supervisory Board that oversees the Board of Directors and the Board of Directors which is responsible for the management of the Corporation.

Briefly, the above organization structure and the reporting lines are presented in the following picture:



The Corporation monitors the performance of the public assets under its management, and informs timely, accurately and transparently the end receivers. The governing bodies of the Corporation its direct subsidiaries and of the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries have the role to facilitate the process of their performance reviewing and reporting to all stakeholders.

3.2 Performance reviewing

On behalf of the Greek state, the Corporation and its subsidiaries has the obligation to review the performance of SOEs effectively and thus it must be ensured that it has access to accurate and relevant information on a timely basis.

The governing bodies and management are selected in a manner, among other criteria (see selected corporate governance code), that their members are competent and able to carry out their work, they receive continuous training and their performance is regularly being evaluated in respect of achieving their objectives and of exercising their duties.

The process of reviewing performance is made in the following ways:

- Ongoing performance review

- Regular (annual) performance review
- Benchmarking performance
- Collaboration between supervising and supervised entities

In line with the organisational structure, as described in the preceding section, the direct subsidiaries are required to monitor the performance of companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries, to take all necessary measures to ensure compliance to predetermined objectives and strategies and to report the results to the Corporation.

In turn, the Corporation monitors and evaluates its direct subsidiaries, receives the results of SOEs' reviews and reports them to the shareholder as well as to the Greek Parliament and to the general public, taking into account the relevant provisions for confidential information handling.

The three ways of monitoring and reviewing performance and the corresponding implementation methods for each monitoring level, are described below, a) either concerns public assets management or companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries, from direct subsidiaries, b) the direct subsidiaries and the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries, from the Corporation or the direct subsidiaries accordingly, and c) the Corporation, from the General Meeting.

3.2.1 Ongoing monitoring of performance

Ongoing monitoring ensures early identification of problems and opportunities, allowing the Corporation and the ownership entities to react promptly on underperformance or on significant changes in the enterprise's environment.

Monitoring and receiving regular information is made through progress reports (monthly or quarterly) that include comparisons of actual performance with the targets as well as action plans to address any discrepancies.

If there is presence of representatives of the supervising company in the governing bodies of the supervised companies, the representatives undertake, among other responsibilities, the task of collection and transmission of this information.

In case that there is no presence of representative, a specific procedure must be established that the governing bodies of supervised companies must collect and transmit the necessary information. In any case, the governing bodies meet regularly and review their performance according to the provisions of the selected corporate governance code.

Mechanisms for information transfer are, among others: the definition of a working group of senior officers of the supervised company (contact point with the supervising company), the establishment of regular communication of the supervising company with the external and internal auditors of the supervised company, the collection of information from external analyst reports, regulators' reports on cases of harmonized sectors and rating agencies reports, the establishment of regular meetings of the governing bodies with representatives of the supervising company.

Finally, management information systems are put in place with regular reporting requirements to collect directly the necessary information that is compared to budgetary data.

In any case, the collection of information and the communication between stakeholders concerns not only financial performance data, but also information relevant to the mandate and general objectives, included in the "Performance Contracts" or "Statement of Commitments" in SOEs

3.2.2 Regular (annual) review of performance

Regular reviews are carried out with the preparation and publication of reports in certain time intervals (as described in the next section). These reports, for the Corporation and its direct subsidiaries, must be aggregated and include assessment data.

Apart from these reports, the methods described in the previous section apply to ensure better communication and more effective control.

3.2.3 Benchmarking performance

Finally, the performance of SOEs must be compared with the performance of other assets as deemed appropriate through the Coordination Mechanism process engagement.

Benchmarking not only compares units, but also at Company level, must result in an overall comparison of the portfolio with a reference portfolio, data, synergies and possible positive or negative effect of the activities of an asset to one other that are achieved by a combination of companies under the same shape.

3.2.4 Collaboration between supervising and supervised entities

The Corporation must endeavour to identify at an early stage issues that have significant results in the value or other aspects of its subsidiaries.

In order to achieve timely information and to influence events and possible situations, representatives of the Corporation may be present at governing bodies of the direct subsidiaries. In their terms, and subject to the Conflict of Interest part of the Internal Rules, direct subsidiaries may be represented at SOEs governing bodies. Such representatives are non-executive members of the governing bodies and they have specific responsibilities and powers. In addition to the normal duties imposed upon such members of the relevant governing body, they must report regularly and extraordinarily to the governing bodies of the supervising companies.

In the context of monitoring the performance of their subsidiaries, regular meetings are scheduled between chief executives and other senior officers of supervised companies and their peers from the supervising companies. The meetings have specific agenda and minutes are kept and circulated.

Outcomes from the above meetings as well as from the presence to the boards are reported to the governing bodies of the supervising companies.

4 Reporting on performance of Corporation, direct subsidiaries and companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries performance (Reviewing and Monitoring Performance through Reporting)

4.1 Internal Reporting

The Corporation prepares and submits reports in order to provide the necessary information for internal use. Reporting has as recipients mainly the supervisory board and/or the General Meeting.

Detailed information about minimum contents of aggregate, non-financial reports can be found at annex 7.1 and a general editing procedure can also be found at paragraph 5.3.1.

The obligation of reporting arises mainly from the legal and regulatory framework as well as the corporate governance code adopted. Specifically, Law 4389/2016 imposes to Corporation the following obligations for the internal reporting:

Article 191, par. 40: “Supervisory board evaluates the activities of the board of directors and prepares and submits to the General Meeting of the sole shareholder annual report on the board of director activities, which are also published on the Corporation website”.

This report contains all the information that provided in an annual report. The supervisory board supervises the procedure for producing this report.

Article 195, par. 2: “Board of directors prepares quarterly reports on the activities and the financial statements of the Corporation including a detailed statement of all revenue and statements of cash flows and financial position to be presented to the supervisory board and posted on the Corporation’s website within ninety (90) days after the end of each quarter”.

This report contains quarterly financial and non-financial information. Financial information is presented according to the adopted standards (e.g. International Financial Reporting Standards). This report contains also non-financial preliminary information for the Corporation’s activities (similar to the one contained in the annual report), related to goals set out within the Strategic Plan and to the implementation of “Performance Contracts” by the SOEs. Board of directors supervises the procedure for producing this report.

Article 192, par. 2i: “Board of directors submits to the supervisory board quarterly reports on compliance with the rules of corporate government according to this law and to the Corporation’s Internal Regulation, as further analyzed in the Internal Regulation”.

This report is submitted on quarterly basis and contains information about the corporate governance practices (all non-financial information apart of the Corporation’s activities information, see annex 7.1). Board of directors supervises the procedure for producing this report.

Article 192, par. 2α: “Board of directors submits for approval to the General Meeting the sole shareholder, the Corporation’s financial statements”.

This report contains annual financial information according to the adopted standards (e.g. International Financial Reporting Standards). Board of directors supervises the procedure for producing this report.

Article 192, par. 2.β: “Board of directors prepares and submits to the General Meeting of the sole shareholder annual report on the activities of the Corporation. This report is submitted at the same time to the parliament and discussed by the competent parliament committee pursuant to article 202 of this Law”.

This report contains all the information that provided in an annual report (see annex 7.1). Board of directors supervises the procedure for producing this report.

Similar reports must be prepared by the direct subsidiaries. Specifically, since there is only one governing body (board of directors), the board of directors has to supervise the procedure for producing all those reports in timely manner. The reports are submitted to the Corporation’s supervising board and board of directors.

Companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries have similar obligations for internal reporting. Specifically, their boards are responsible for the preparation and submission on time of these reports to the boards of the direct subsidiaries. Moreover, the listed companies have to comply with the provisions of the relevant legislation (e.g. Law 3556/2007).

The reporting obligations can be seen in brief at annex 7.3.

4.2 Reporting on BoD Performance Review and Evaluation

Additionally, to the performance review among corporate entities, internal evaluation of the boards of directors must take place according to the selected corporate governance code. Especially, for the Corporation, the supervisory board supervises the board evaluation procedure and reports to the shareholder about the results of this evaluation in order to gain the appropriate knowledge about the functioning of the board of directors. An evaluation procedure must be established that will include the collective as well the individual evaluation of board of directors’ members and must take place at least every two years. In the evaluation procedure, the board committees must be included.

The evaluation procedure as well as the evaluation criteria must be disclosed (at the annual report and to the corporate website).

5 Disclosure and transparency

Since Corporation, direct subsidiaries and companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries are of great public interest, high standards of disclosure and transparency are expected, equivalent to those applied to listed companies. A disclosure and transparency framework must be established for each company to ensure that the information described to this document is provided to: a) the shareholder, b) the parliament, c) the general public and media, d) potential investor(s).

The following principles must be followed from each company for the establishment of this framework:

- Identification of the necessary information to be disclosed, based on the principles of materiality and of serving the public interest: Systematic review of the legal and regulatory framework for disclosure obligations (e.g. Laws 4389/2016, 3556/2007, listing requirements, the selected corporate governance code (the Hellenic Corporate Governance Code, modified as needed, is recommended for direct and indirect subsidiaries), as well as best practices for the specific industry). Although it is a responsibility of each company to identify the relevant legal and regulatory framework, the supervising entities must follow developments and changes in legislation, standards and recommendations and must inform their supervised entities.
- Disclosure of the legal and regulatory framework: Posting the relevant legal and regulatory framework to corporate website - regular review in order to timely adapt and disclose the possible changes.
- Systematic monitoring from the supervising entities: Supervising entities must review and advise their supervised entities to ensure that the relevant legal and regulatory framework for disclosure obligations is continuously reviewed. Supervising entities assess the implementation of the disclosure and transparency framework from their supervised entities. Supervising entities must enforce the implementation of the framework and must report on their annual aggregate reports about the performance of supervised entities on disclosure obligations.
- Accountability: Board of directors through its audit committee is responsible for the implementation of the disclosure and transparency process. Audit committee of the supervising entity is also responsible for the monitoring of the implementation of the disclosure and transparency framework from the supervised entities. The audit committees must assign this task to specific employees who must communicate and gather regularly to update disclosure and transparency requirements.

5.1 External Reporting

In the above context, the Corporation prepares and submits reports in order to disclose and publicize information. Reporting has as recipients mainly the Greek Parliament, the general public, potential investors, etc.

Detailed information about minimum contents of non-financial reports can be found at annex 7.1 and a general editing procedure can also be found at paragraph 5.3.1. Minimum requirements for the corporate website structure and contents can be found at annex 7.2.

The obligation of reporting arises mainly from the legal and regulatory framework as well as the corporate governance code adopted.

Specifically, Law 4389/2016 imposes to Corporation the following obligations for the external reporting:

Article 191, par. 4θ: “Supervisory board evaluates the activities of the board of directors and prepares and submits to the General Meeting of the sole shareholder annual report on the board of director activities, which are also published on the Corporation website”.

This report contains all the information that provided in an annual report. The supervisory board supervises the procedure for producing this report.

Article 195, par. 2: “Board of directors prepares quarterly reports on the activities and the financial statements of the Corporation including a detailed statement of all revenue and statements of cash flows and financial position to be presented to the supervisory board and posted on the Corporation's website within ninety (90) days after the end of each quarter”.

This report contains quarterly financial and non-financial information. Financial information is presented according to the adopted standards (e.g. International Financial Reporting Standards). This report contains also non-financial preliminary information for the Corporation's activities (similar to the one contained to the annual report, see annex 7.1), related to goals set out in the Strategic Plan and to the implementation of “Performance Contracts” by the SOEs. Board of directors supervises the procedure for producing this report.

Article 202, par. 1: “Board of directors submits to the Greek Parliament annual activity report, which is discussed in the competent Parliament committee”.

This report is submitted on annual basis and contains all the information that provided in an annual report (see annex 7.1). Board of directors supervises the procedure for producing this report.

Article 202, par. 5: “To the extent that the Corporation and its direct subsidiaries are considered to constitute General Government Entities, the provisions of l. 4270/2014 and relevant presidential decrees and ministerial decisions concerning the submission of financial reports, apply only to the following: a) the annual budget and any budgeted adjustment during the fiscal year b) a monthly budgetary and finance report (outurn), c) monthly wage data report (outurn) and d) summary of registered monthly commitments (outurn in monthly basis, annual figures)”.

Board of directors is responsible for these reports.

Article 192, par. 2α: “Board of directors submits for approval to the General Meeting the sole shareholder, the Corporation’s financial statements”.

This report contains annual financial information according to the adopted standards (e.g. International Financial Reporting Standards). Board of directors supervises the procedure for producing this report. This report is posted to the corporate website.

Article 192, par. 2β: “Board of directors prepares and submits to the General Meeting of the sole shareholder annual report on the activities of the Corporation. This report is submitted at the same time to the parliament and discussed by the competent parliament committee pursuant to article 202 of this Law”.

This report contains all the information that provided in an annual report (see annex 7.1). Board of directors supervises the procedure for producing this report.

Similar reports must be prepared by the direct subsidiaries. Specifically, since there is only one governing body (board of directors), the board of directors has to supervise the procedure for producing all those reports in timely manner. The reports are submitted to the Corporation’s supervising board and board of directors and are posted to their websites.

Companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries have similar obligations for external reporting. Specifically, their boards are responsible for the preparation and disclosure on time of these reports. Moreover, the listed companies have to comply with the provisions of the relevant legislation (e.g. Law 3556/2007).

The reporting obligations can be seen in brief at annex 7.3.

5.2 Special Reports

The preparation of special reports might be required in special circumstances, either on request or in case of some extraordinary event.

The process of preparing, editing and disclosure will depend on the type of report according to the above description of internal and external reporting.

5.3 Procedures

5.3.1 Procedures for editing annual and other reports – roles and responsibilities

The main proposed stages for the drafting of the annual report are the following:

- Definition of key points and messages, contents and structure of the report

This is a preliminary step for the editing of the annual report and an opportunity of the BoD to describe the implementation of the objectives, in accordance with the key messages articulated in the Corporation's Strategic Plan, in accordance with the

procedure laid down in its Internal Regulation.

It is essential to determine the purpose of the annual report and the key issues to be communicated to the recipients of the report and the issues to be given particular emphasis.

For example, it could highlight an important new development, significant evolution in performance, changes in strategy, changes in priorities, etc.

The contents and the structure is implemented in cooperation of the board of directors and senior management after internal discussion.

Input in developing and deciding the key messages and contents of the report could be e.g. frequently asked questions from media, other interested parties etc.

- Collection of relevant information

The collection of the relevant information is a central stage in developing reports especially if they are aggregate and must be done in a systematic way. In case of the Corporation's report, information must be collected also from its direct subsidiaries and the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries.

Working groups must be defined within the Corporation and its direct subsidiaries. Coordinator of the working groups must be the responsible person for financial services (depending on the organisation of each company e.g. financial manager, portfolio manager etc.) but also managers from other critical units holding the necessary information may participate. The main units that need to work together apart of financial services, are the units of human resource management, communication services, corporate secretaries, etc.

Apart of the financial data from the Corporation, its direct subsidiaries and the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries, inspection and/or data collection from relevant departments of the public administration may be required, where necessary, for instance data relevant to the overall socio-economic environment in which each company operates, or other corporate data that do not necessarily present the financial status of the Corporation or the direct & indirect subsidiaries, but need to reflect the Corporation's mission as articulated in the founding law and in the Ministerial Guidance as transposed in the Strategic Plan.

Specific techniques must be used for the collection of necessary information in an organized and systematic manner e.g. fill in of data sheets from the specific departments. External consultants can also be used to ensure data consolidation in case of aggregate reports.

The process of the information collection is a continuous process so the working groups and the coordinator (director of financial services of Corporation) along with their accountabilities must be defined in advance in order to be ready when the editing of the report will commence.

Where possible, part of the above procedure is proposed to be implemented by using

management information system.

- Information review

The direct subsidiaries and the companies whose holdings are controlled by the direct subsidiaries are responsible for the reports submitted to the Corporation.

The final assessment of collected information must include reviews for validity, reliability and completeness. Responsible for checking the validity, reliability, and completeness of the data is the coordinator of the working group who can cooperate on this stage with the internal auditors, legal services, compliance function and possibly other public administration bodies.

Special care must be taken for possible disclosure of confidential and market-sensitive information.

- Composing and editing the report

The coordinator of the working group defines those persons responsible to compose and edit the report, considering the recipients' requirements and the available resources. Thus, the available resources must be decided in order to define the format of the report.

The editing team is responsible for enriching the collected information with graphs, summary tables etc. in order to improve the readability of the report.

This task requires the synthesis of the collected information highlighting the overall performance of the Corporation and its subsidiaries.

To this end, as it has been said, a comparison of Corporation's portfolio with a reference portfolio (benchmarking portfolio) is thought of as useful.

In case that this step could be implemented in collaboration with external partners, the confidentiality of the report must be taken into consideration before its disclosure and the selection process as well as information of the external partners must be disclosed.

- Report Presentation

The Annual Report should include KPIs grouped into broad strategy maps (as defined in Balanced Score-carding theory) to monitor the achievement of, or deviation from goals expressed in Corporation's Strategic Plan. KPIs should be presented in a way that enables "Actual vs Budget" evaluation, to quickly disclose any outliers.

- Final approval

The final version of the annual report is approved by the Board of Directors of the Corporation and submitted to the General Meeting.

Since the report is a communication tool and in order to give more visibility, weight, and the appropriate status, the report must contain a foreword or other statement signed by the Chairman of the Board of Directors, as well as one from the CEO. These forewords must set the tone and provide a good indication of the current policy of the Corporation concerning the public assets and SOEs. A statement of the shareholder should also be

included.

- Disclosure of the annual report

The annual report aims to improve the transparency and disclosure of material information to the general public. The report will be posted on the Corporation's website and possibly on the websites of relevant ministries and will be sent to a group of participants (e.g. other government bodies, politicians). In addition, media should be informed so as to facilitate the dissemination of the report. Comments and critic from media should be taken into account seriously since it can play an important role in improving the transparency, accountability and future disclosure.

The public relations function of the Corporation is in charge of coordinating and executing the communication plan, taking the appropriate approvals, for technical matters (e.g. website management, dissemination techniques) as well as communication matters with the media, political leadership, and other stakeholders.

The following table summarizes the main steps and the responsible roles for the report generation process:

s/n	Main step	Roles
1	Definition of the key points, contents and structure	Board of Directors Senior Management
2	Collection of information	Director of financial services (coordinator) Corporate secretary, executives from human resources, risk management, communication services etc.
3	Information review	Director of financial services Legal services experts Internal auditors
4	Composing and editing	Director of financial services Supporting units
5	Final approval	Board of Directors
6	Disclosure and communication	Communication services and public relations experts

Regarding the Supervisory Board, the necessary procedures for preparing the required by Law reports will be established and described in the Internal Regulation.

5.3.2 Reporting procedures to parliament

At any time, the official bodies of the Greek parliament (e.g. finance or budget committees)

might ask for ad hoc reports or for special hearings. Procedures are described for the Corporation to respond and to provide timely and accurate information to the parliament:

- Definition of responsibilities: The procedure must include the foresight of possible information that may be requested in order for the Corporation to be ready for immediate response. The responsible persons for all kinds of information (e.g. financial services director for financial information etc.) must be also defined to set up immediately a working group in order to gather the requested information. If any information is kept in special information systems, IT persons participate in the working group.
- Report presentation: The format of the ad hoc reports needs to be defined. Usually such reports must be brief and concise, without technical details unless required by parliament's special experts' committees.
- Managing confidentiality issues: It is possible that confidential information should be requested (e.g. personal data, or information that may cause, if made public, competitive disadvantage in the referred company or information that can be privileged to its recipients). In any case, the opinion of legal or compliance units must be requested.
- Disclosure: If there is no any confidentiality issue, the report or summary of it, after its delivery to parliament, is published in the corporate website in order to ensure equal information to all participants.

5.3.3 General principles for report drafting

The following general principles provide guidance for the preparation and presentation of a report, since the relevant information and its contents have been decided:

- Strategic focus and future orientation: Although the annual report refers to the past year, it should provide the proper perspective in the Corporation's strategy so that it relates to the Corporation's ability to create value in the short, medium and long term and foresee any corrective measures need to be taken for the successful implementation of the Corporation's Strategic Plan.
- Information connection: The information and the various topics presented will be interconnected in such a manner to highlight the evaluation of the Corporation's performance considering the effect of its performance to the whole economy.
- Brevity and clarity: The report should be written in plain language, short, but not at the expense of understanding and without omitting important information. It should be easy to read and should avoid the use of highly specialized terminology. The use of charts and summary tables is also recommended.
- Reliability and integrity: Although the necessary checks may have incurred during the collection of information, attention should be given in order to present the information in an unbiased manner and not to omit topics that may be negative for the Corporation but they are necessary to give a "total view".

- Timely preparation: The deadline for publishing the report must have been predetermined and strictly kept to the original time plan so that the report is timely made available to the public. In any case, the annual report of the Corporation from year 2019 and onwards should comply with the deadlines provided for listed companies. For the previous years (2016, 2017 and 2018) will apply the deadlines provided in C.L. 2190/1920 and L. 4403/2016
- Release costs: Finally, the costs for releasing the final version of the report should be determined in advance (electronic or hardcopy, number of copies, paper quality, binding quality, etc.) in order to use the proper tools.

Versions of the report should be available in each of Greek and in English.

5.3.4 Website posting procedure – roles and responsibilities

In order to obtain complete, reliable, easily accessible and timely dissemination of information to the general public, the publication of corporate information has to be done with the use of a user-friendly corporate website.

The information to be published on the corporate website is similar to the one reported in the annual report. In addition, it must be constantly updated on any changes to avoid both loss of the value of the timely information and doubts about transparency.

- Defining the website structure: The design of the corporate website depends on the Corporation's overall communication policy. In any case it should be structured so that the relevant information could be grouped and easily accessible and it should be linked with the subsidiaries' websites.
- Collection of relevant information: The same working groups responsible for the collection of information for the preparation of the annual report may be responsible for monitoring and timely updating the website. If there is information contained in other documents, those documents should be uploaded with a short description and the proper link.
- Posting of corporate information: It is very important to define procedures for updating the website. These should define the persons in charge for the approval of the final versions and should enforce the timely posting. Responsibility for the posting can be assigned to an administrator of the website or to the "owners" of the relevant information.

6 Document's management

6.1 Responsibilities

Participants	Responsibilities
General Meeting	Approval of document and updates.
Organizational units	Compliance with the principles of this document.
BoD, Compliance and legal services (and other relevant units)	Check the application of this document. Participation in the definition of the subject and review of this document in order to be aligned with the applicable legislation. Coordination and monitoring of the implementation of the rules and principles of this document. Provision of guidance, advice and proposals to the management about incidents that may cause violations to the principles of this document and about harmonization with the relevant legislation.
Financial services and human resource management	Proof reading during the drafting and revision stages. Dissemination to personnel of the new versions of the document.
Internal audit	Checks about the implementation of the document's principles and the procedures resulting from this framework.

6.2 Exceptions

Exceptions from the application of this document rules for certain liable persons, made only in exceptional cases, upon approval by the General Meeting (upon suggestion from the board of directors after supervisory board approval) and if such exceptions do not conflict with the spirit of the main rules of this document.

Requests for exemption from the rules and principles set by this document are submitted sufficiently documented to management by the interested persons.

In the event of an exception, this must be regarded as an isolated incident without creating a precedent for future decisions for the application or exemption from the requirements of this document.

7.1 *Suggested information and indicative contents of annual report*

This annex cites indicative contents of the annual aggregated report. Other periodic reports (monthly, quarterly, yearly) contain the same information, as far as it is available at the specific time.

To the extent not covered by the recommendations below, the contents of the report should include to the requirements set out in Law 4308/2014, to the standard required of listed companies.

These recommendations are for the Corporation, its direct subsidiaries and also the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries under the requirements arising from the legal and regulatory operations framework.

7.1.1 Corporate vision and mission statement

It is very important to make clear to the public, the purpose and the objectives of the Corporation and its subsidiaries. The vision, the strategy as well as how the corporation intends to succeed must be clear with reference to the mandate of the Greek state that is the only shareholder. The vision and mission statement are outlined in the Ministerial Guidance as transposed in the Strategic Plan of the company. The annual report must refer to the key strategic objectives and the way the Corporation intends to meet them as well as if and how strategic objectives in the previous year have been achieved. It should also refer to the corporate culture and moral values that govern the Corporation. The contents of this paragraph should be in full coherence with the respective chapters of the “Statement of Commitments” and the “Performance Contracts” as those are described in the Coordination Mechanism chapter of Corporation’s Internal Regulation. This part of the report should start with a message from each of the shareholder, Chair of the Board of Directors, and CEO to the readers (general public, investors etc.)

7.1.2 Corporation’s performance – Financial report

The main objective of the annual report is the evaluation of the Corporation's performance and the definition of the extent that the Corporation has created value by making use of available resources. The annual report must include the key financial figures aggregated and separately for the subsidiaries, received from the financial and accounting statements. It must also be given emphasis to the presentation of costs and the method of funding Corporation's activities. It must refer to the key performance indicators (K.P.I.s) defined by the Corporation and the results of these compared with those of previous years. A summary of the Corporation’s investment policy and information on its implementation must also be included mentioning any decisions for divestment or portfolio diversification. Finally, the financial results of the

companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries have to be reported. The contents of this paragraph must be in full coherence with the respective chapters of the “Statement of Commitments” and the “Performance Contracts” as those are described in the Coordination Mechanism chapter of Corporation’s Internal Regulation.

7.1.3 Local and global economic development

Due to the nature of public assets and SOEs, the effect of company’s performance to the whole economy, for example through network externalities, should be mentioned. Additionally, an analysis of the economic environment of the Corporation should be included as well, since the environment in which a company operates is crucial for many of its’ business decisions.

7.1.4 Corporate and internal governance

It is important for an annual report to answer the question whether the Corporation structure is such as to support the effort for maximum performance. Not only the basics of the structure of the Corporation and its subsidiaries such as organization charts and the management structure but also explanations on how they contribute to value creation should be stated not only for the company but also for the economy. A corporate governance code must be adopted and reported, and on this basis, the corporate governance statement has to be included. Adoption of a corporate governance code for listed companies is recommended and particularly the Hellenic Corporate Governance Code is recommended. The annual report must present information about the governing operations (supervisory board and board of directors, board committees, etc.) and about the operation and organization of the management team, the audit units and the system of internal controls in general. Moreover, in the context of transparency, the remuneration policy of the members of the supervisory board and the board of directors as well as of the senior management has to be reported. Also, the procedure and the criteria of board evaluation must be included in the annual report.

The annual report must refer to the main parts of the investment policy, risk management policy and to other policies such as conflict of interest policy, protection of confidential information policy, etc.

The annual report must also contain CVs of the members of the supervisory board, the board of directors and the senior management, executive staff selection policies and procedures, diversity policy if applied and finally the definition of the independence of the members of supervisory board and board of directors and how this is ensured (participation of board of directors members and supervisory board members in other companies or to political positions, etc.)

In the case of the Corporation's annual report, the section on corporate governance should include a statement from the Supervisory Board.

7.1.5 Risk management

Without reference to the serious risk factors, it could not be a complete overview of the financial situation and evaluation of the Corporation's performance. There must be a detailed reference on the most important risks that the Corporation is exposed (political, business, operational, financial, market risk, overall country risk, etc.) and on the measures taken to mitigate them (such as the risk strategy and the "risk appetite" of the Corporation, risk management policies and procedures, roles and responsibilities for the implementation of these policies and procedures). In the annual report, the business environment and the major economic and political developments that affected or may affect the Corporation's performance are also described.

7.1.6 Relations with the Greek state and other bodies – related party transactions

There must be a reference to any financial assistance received from government bodies and performance contracts concluded by government bodies and SOEs as well as any related party transactions. The contents of this paragraph must be in full coherence with the respective chapters of the "Performance Contracts" as are described in the coordination mechanism chapter of Corporation's internal rulebook.

7.1.7 Corporation activities

The annual report must contain a detailed reference to activities and projects run by the Corporation and its subsidiaries within the past year and the results of these activities to the Corporation's performance. In this section, news from SOEs, such as execution of corporate actions, changes in share register, etc. must be reported.

7.1.8 Legal and regulatory framework

Reference to main legislation and regulations governing the operation of the Corporation and its subsidiaries.

7.1.9 Innovation and modernization

Reference to the possibility of a SOE for innovation, either internally or as a catalyst in the industry in which it operates.

7.1.10 Other information

Additional information about the human resource management (statistics for staff composition and wages, staff education programs, human resource management policies, etc.), corporate social responsibility (CSR) programs (description of relevant

policy if there is any, CSR actions, etc.), information about the adequacy of natural resources, business decisions that have been influenced by the physical environment, forecasts for the adequacy of natural resources, related links where to find further information about the Corporation, its subsidiaries and other related entities, etc. must be included, so as for the annual report to reflect the goals set out for the Corporation, in the Strategic Plan.

7.2 Structure and contents of corporate website

These are minimum requirements for the Corporation, its direct subsidiaries and also the companies whose shares are held directly or indirectly, in whole or in part by the direct subsidiaries under the requirements arising from the legal and regulatory operations framework:

Company

- Subject
- Organizational structure
- Supervisory Board and Board of Directors (including functioning procedures and evaluation criteria and procedure)
- Subsidiaries
- Code of Conduct
- History

Reports

- Financial Reports
- Annual Reports
- Information documents, etc.

Announcements

(Official announcements and news about Corporation's activities)

Communication

(Contact information and general public queries channel)

Corporate Responsibility

- Corporate Governance
 - Corporate Governance Code
 - Corporate Governance Framework
 - Internal Controls System
- Legal and Regulatory Framework
- Corporate Social Responsibility
 - Actions
 - Reports

7.3 Regular internal and external reports

Body	Report type	Submitted to	L	Minimum contents
Supervisory Board	Annual Report	- General Meeting - Website	Art. 191, par. 4θ	Full annual report contents
Board of Directors	Quarterly Report Financial Statements	Supervisory Board Website	Art. 195, par. 2	Same as annual report. Financial Statements following specific financial reporting standards (e.g. IFRS)
Board of Directors	Corporate Governance quarterly reports	Supervisory Board	Art. 192, par. 2ι	Full annual report contents apart financial data and company activities
Board of Directors	Annual Report	Parliament	Art. 202, par. 1	Full annual report contents
Board of Directors	Monthly and annually	- Standard disclosure process	Art. 202, par. 5	a) the annual budget and any budgeted adjustment during the fiscal year b) a monthly budgetary and finance report (outturn) c) monthly wage data report (outturn) d) summary of registered monthly commitments (outturn in monthly basis, annual figures)
Board of Directors	Annual Financial Statements	General Meeting	Art. 192, par. 2ια	Financial Statements following specific financial reporting standards (e.g. IFRS)
Board of Directors	Annual Report	Parliament General Meeting	Art. 192, par. 2ιβ	Full annual report contents