

## **Remuneration Policy Report**

The Company's policy regarding the remuneration of executive directors and other management personnel, including the Chief Executive Officer, is the correlation of remuneration to individual performance and overall progress of the Company. The Company's Remuneration Policy is determined by the Board based on the recommendations of the Remunerations Committee and subject to approval at the General Meeting of Shareholders.

The Remunerations Committee makes recommendations to the Board on the scope and level of remuneration of non-executive directors and executive officers and personnel of the Company, including the Chief Executive Officer, taking into consideration the relevant factors and criteria.

The Remunerations Committee is responsible for the preparation of the Remuneration Policy Report which accompanies this report, which is approved by the board and is also subject to approval at the General Meeting of Shareholders.

### **Remuneration of Non-Executive Directors**

The remuneration policy regarding the remuneration of non-executive Directors takes into account the time available to attend meetings and for decision-making. Their fees are not associated with the Company's profitability and there is not any plan for granting stock options.

The remuneration of non-executive Directors is approved by the Annual General Meeting.

The remuneration of non-executive Directors approved by the Annual General Meeting held on September 8, 2016 consists of a fixed amount of €3.500. The Board has decided additional fee for non-executive Directors amounting to €150 for each director per meeting of the Board and the various Committees and €250 for each day on mission for the company outside Cyprus.

The total remuneration of non-executive Directors in 2016 amounted to € 117.954 (2015: € 116.446) was paid to them before December 31, 2016. This amount consists of a fee of € 20.708 (2015: € 21.000) in non executive directors as members of the Board, from fees for attendance at meetings of both the Board and the various committees amounting to € 23.400 (2015: € 21.600) and allowance for attendance fees amounting to € 73.846 (2015: € 73.846).

The remuneration of the Board members in 2016 were as follows: Antonios-Andreas-Antis Skordis: annual remuneration €3.500 (2015: €3.500) and remuneration for participation in committees €3.300 (2015: €3.150), Lefteris Christoforou: annual fee €3.500 (2015: €3.500) and remuneration for participation in committees €3.450 (2015: €2.700), Dr. Nearchos Ioannou: annual remuneration € 3.500 (2015: € 3.500) and remuneration for participation in committees € 4.200 (2015: € 3.750), Maria Ioannou-Theodore: annual remuneration € 2.041 (2015: € 3.500) and a fee for participation in committees € 2.700 (2015: € 4.050), Varnavas Irinarchos: annual remuneration € 3.500 (2015: € 3.500) and remuneration for participation in committees € 4.200 (2015: € 3.600), Dimitrios Filippides:

annual remuneration consultants € 3.500 (2015: € 3.500) and remuneration for participation in committees € 4.500 (2015: € 4.350), Nicholas Hadjiyiannis: annual remuneration €1.167 (2015: € nil) and remuneration for participation in committees € 1.050 (2015: € nil).

The attendance fees are as follows: an amount of €36.922 (2015: €36.922) was paid to Mr. Antonios-Andreas-Antis Skordis as Chairman of the Board, an amount of € 18.462 (2015: € 18.462) Mr. Lefteris Christoforou as Vice Chairman and an amount of € 18.462 (2015: € 18.462) Dr. Nearchos Ioannou as Vice Chairman of the Board. The total amount paid in 2015 amounted to € 73.846 (2015: € 73.846).

In addition to the above amounts, during 2016, paid an amount of € 19.811 (2015: € 15.451) for other costs and benefits of Board members.

### **Remuneration of the Chief Executive Officer and other Company Executives**

The Commission's policy regarding the Chief Executive Officer and other Executives of the Company consists of:

- A. providing adequate remuneration that will attract and retain executives with appropriate knowledge and experience.
- B. the information on fees offered by similar companies as well as fees in other departments and levels of the Company.
- C. linking remuneration with the capacity and performance of the individual to be consistent with the interests of Shareholders.
- D. the consideration, if the fees include a share option right that the exercise price may not be lower than the average closing price of the last 30 sessions prior to the grant date. Remuneration packages that include stock option rights are subject to the approval of the shareholders at an Extraordinary General Meeting. The Company has not granted such share options.

The services of the Chief Executive Officer and other executives of the Company are not determined by written contract and thus the provisions of indefinite duration to employment Code apply.

The remuneration of the Chief Executive Officer and other executives of the Company consists of the following:

- A) Gross Annual Salary. The annual salary of personnel is determined by the Board following a recommendation by the Remunerations Committee which shall consider the matter annually.
- B) Employer Contributions to the Provident Fund. The Company shall pay the Pension Fund a levy of 10% employer share of the total gross wages of each employee who has chosen to be a member.
- C) Other employer's contributions (social security, life insurance, health care, etc.).

The Chief Executive Officer, Dr. Nicos Michaelas, as Executive Director, had gross wage earnings and benefits amounting to €144.706 (2015: €144.209).