ICI REIC

Corporate Governance Code – February 2016

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PREAMBLE - INTRODUCTION

The Corporate Governance Code (hereafter "the Code") of INTERCONTINENTAL INTERNATIONAL REIC (hereafter "the Company"), describes the rules initiated and mandated by the legal framework regarding REIC's, Corporate Governance and EU Directive 231/2013. These rules are adopted by the Management of the Company in order to promote a modern and best practise Corporate Governance for equally protecting the rights of people related with the Company and its operations (stakeholders).

The Code was drafted based on the Corporate Governance Code prepared by the Hellenic Federation of Enterprises (SEV), as developed in January 2011 and includes both the rules and the practices and procedures adopted by the Company in compliance with the applicable legislation (corporate law and obligations of listed companies), and the rules and practices adopted by the Company in addition to the above.

Corporate governance: meaning

By "corporate governance" we mean the way companies are managed and controlled and involves a set of relationships between a company's management, its board (BoD), its shareholders and other stakeholders. Corporate governance also provides the structure by which the objectives of the company can be discussed and set, the key risks that the company faces identified, the means of attaining the corporate objectives determined, risk management system is organised and management's performance in respect thereof monitored.

The Corporate Governance Code of the Company remains as an integrated part of its Internal Regulation, that has been approved by the BoD as of its meeting in February 2016, including the legal framework upon which the annual corporate governance statement is based as required by the Law 3873/2010 - according to which - the corporate governance statement is included in a separate section of the Annual Report.

More specifically, the corporate governance statement should make clear reference to the particular corporate governance code applied by the company and if the company decides to diverge from certain parts of the code, it should give the reasons for doing so ("comply or explain" approach).

PART A – THE BOARD AND ITS MEMBERS

I. Role and responsibilities of the board

The board is competent to decide on every act concerning the management of the company, the administration of its assets and the pursuance of the company's object, within the limits of the law and except for matters decided by the general meeting of shareholders.

The BoD is required to effectively accomplish its duties to ensure that:

- The Management applies the corporate strategy and manages corporate issues on behalf of the Company and its shareholders.
- The fair and equal treatment to all shareholders, including minority shareholders, foreign shareholders and individuals but also of third parties, whose interests are related to those of the company (stakeholders) to the extent that no conflict arises with the corporate interest.
- The integrity of the company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal audit and risk management.
- Being alert to and adequately addressing actual and potential conflicts of interests between the company, on the one hand, and its management, board members or major shareholders, on the other; and to address these conflicts properly.
- An efficient policy and satisfactory procedures for monitoring the company's compliance with relevant laws and regulations.
- Formulating, disseminating and implementing key values and principles of conduct governing the company's relations with its stakeholders whose interests related with those of the company.
- The approval of a long-term strategy and operational goals of the company.
- The approval of annual budgets and business plans.
- The decision making for major capital expenditures, acquisitions and disposals; upon recommendation of the Investment Committee.
- Selecting or/ and replacing, if necessary, the executive leadership of the company and overseeing succession planning.
- Monitoring the performance of Top management, and aligning executive remuneration with the long term interests of the company and its shareholders.

II. Size and composition of the board

The size and composition of the board should enable the effective fulfilment of its responsibilities and reflect the size, activity and ownership of the company. Best practices suggest that the board's size and composition should reflect a balance between executive, non-executive and independent non-executive members such that no individual or group can dictate decision-making on the board.

- Board composition should demonstrate a high level of integrity and include a diversity of knowledge, qualifications and experience relevant to the business objectives of the company, requirements of business environment and the corporate goals.
- Board is comprised of executive and non-executive members. An executive member is defined as a board member engaged in the daily management of the company as his/her primary occupation under a contractual employment or service relationship with the company. Any other member is considered as non-executive. Ultimately the status of a board member as executive or non-executive is determined by the board and validated by the general meeting of shareholders.
- Board includes independent board members that are non-executive members who meet certain independence criteria and by law appointed by the general meeting of shareholders. It is important that the board assigns a sufficient number of independent non-executive members to tasks where there is potential for conflicts of interests, such as the review of financial and non-financial disclosures, the review of related party transactions, the nomination of board members and the remuneration of key senior executives as well as supervision of Internal Audit System.

III. Role and profile of the chairman of the board

The chairman should be responsible for leading the board, setting its agenda and ensuring that the work of the board is well organised and meetings conducted efficiently.

The chairman is also responsible for ensuring that board members receive accurate and timely information. The chairman should facilitate the effective contribution by non-executive board members to the work of the board and ensure constructive relations between executive and non-executive board members. The chairman should ensure effective communication with all shareholders as well as the fair and equitable treatment of their interests.

IV. Duties and conduct of board members

Each board member has a duty of loyalty to the company and should act with integrity, objectivity, expertise and devoting time for execution of these duties.

- Board members should act with integrity and in the best interest of the company, as well as protect the confidentiality of information that has not been disclosed to the public.
- They should not compete with the company and should avoid any position or activity which creates or appears to create a conflict between their personal interests and the interests of the company, including holding board or executive positions in competing companies without the approval of the general meeting of shareholders.
- Board members should contribute their expertise and devote to their duties the necessary time and attention.
- Finally, board members should endeavour to attend all meetings of the board and the relevant committees if positioned.

V. Nomination of board members

Nominations to the board should be made on merit using objective criteria under ultimate goal of proper and effective representation of shareholders. The board should ensure the orderly succession of board members and senior executives so as to ensure the long-term success of the company.

VI. Functioning of the board

The board should meet sufficiently regularly to discharge its duties effectively.

The board should be supplied by the management and the relevant committees in a timely manner with information in a form and of a quality to enable it to discharge its responsibilities effectively.

Minutes of every board meeting should be distributed and approved by all presented board members at the next meeting the latest.

VII. Board evaluation

The board undertakes a regular evaluation of its own performance every 2 years, for revaluation of boards' and committees' remuneration, during the current situation.

PART B – INTERNAL AUDIT

VIII. Internal Control system

Internal control system has been defined as a process, effected by the Company'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. The Board should:

- Present a balanced and clear assessment of the company's position and prospects and ensure the integrity of financial statements and disclosures to shareholders and to the public.
- Maintain a sound system of internal control and risk management to safeguard the company's assets, and ensure that significant risks are identified and adequately managed.
- Monitor and regularly review the implementation of corporate strategy.
- The board should regularly review the main risks to the business, and the effectiveness of the internal control system in managing these risks. The review should cover all material controls, including financial, operational and compliance controls, as well as the risk management systems.

- The board, through its audit committee should also develop a direct and ongoing relationship with company's auditors (internal or external) in respect of the effective functioning of the internal audit system according to international standards.

PART C - REMUNERATION

IX. Level and structure of remuneration

Aligning the goals and incentives of board members, senior executives and other employees of the company with those of its shareholders is a key aim of a sound corporate governance. Thus:

- The remuneration setting process should be performed with objectivity, transparency and professionalism, and be free from conflicts of interests.
- The level and structure of remuneration should aim to attract, retain and motivate board members, executives and employees who will add value to the company with their skills, knowledge and experience.
- The level of remuneration should be aligned with their qualifications and contribution to the company.
- The board should have a clear view as to how the company is paying its top talents and mainly those who have that proper qualifications for effective management.

PART D - RELATIONS WITH SHAREHOLDERS

X. Communication with shareholders

The board should maintain a continuous and constructive dialogue with the company's shareholders, especially those who hold significant stakes and have a long-term perspective.

XI. The general meeting of shareholders

The board should ensure that the preparation and conduct of the general meeting of shareholders allows for the active and well-informed exercise of shareholders' ownership rights. The company should ensure that the convocation for the general meeting of shareholders and relevant information are effectively communicated to the shareholders including the items on the agenda, their rights during the participation in the general meeting.

The board should ensure, within the framework set out by the company's statutes that as many shareholders as possible, including minority, foreign and remotely residing, have the opportunity to participate in the general meeting of shareholders.

The board should use the general meeting of shareholders to facilitate genuine and open discussion with the company.