



## **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF "WATER SUPPLY AND SEWERAGE SYSTEMS COMPANY OF THESSALONIKI SA"**

### **Article 5**

#### **Share Capital**

1. The share capital was initially five billion one hundred eleven million two hundred and fifty thousand (5,111,250,000) drachmas or fifteen million (15,000,000) EURO divided to fifteen million (15,000,000) shares with a nominal value of one (1) EURO (GRD 340.75) each. Under the 27/07/2001 decision of the Extraordinary General Meeting of the shareholders the equity increased by five hundred and eleven million one hundred and twenty five thousand 511,125,000 (511,125,000) drachmas by issuing one million five hundred thousand (1,500,000) new ordinary shares with a nominal value of one (1) EURO (GRD 340.75) each. By the 30/12/2002 decision of the Extraordinary General Meeting of shareholders the equity capital increased by one million six hundred and fifty thousand (1,650,000) EURO by issuing one million six hundred fifty thousand (1,650,000) new ordinary shares with a nominal value one (1) EURO (340.75 drachmas), each with:

a) EURO 1,580,015 (One million five hundred eighty thousand and fifteen) with share premium capitalization stock increase and b) EURO 69,985 (Sixty-nine thousand nine hundred eighty-five) with the capitalization of goodwill from the property revaluation on the 31/12/2000. By the 29/12/2006 decision of the Extraordinary General Meeting the share capital increased by 2 million one hundred seventy eight thousand EURO (2.178.000) € from the Account "Balance Carried Forward" with a corresponding increase in the nominal value of existing shares from one (1) EURO in one (1) EURO and (12) twelve pence each. **By the 7/11/2007 decision of the Extraordinary General Meeting of the shareholders the share capital is increased by twenty million three hundred twenty three thousand 20,328,000 euros (20.328.000) € from the account "Retained earnings" by issuing eighteen million one hundred fifty thousand (18,150,000) new ordinary shares with a nominal value of one (1) EURO and (12) twelve pence each, due to capitalization of non distributed profits.**

2. The share capital of the Company amounts to **forty million six hundred thousand EURO (40.656.000) € and is divided into thirty six thousand three hundred (36,300,000) shares** nominal value of one euro and twelve pence each (1.12).

3. The share capital may be increased, reduced and extinguished in accordance with the provisions of the present Articles of Association and the law.

~~The State may allocate to investors up to forty nine percent (49%) of the current share capital of the Company."~~

## Article 13

### Composition and Term of Directors

1. The Board consists of ~~9 (nine) or 11 (eleven) members, which may or may not be shareholders of the Company and are elected by the General Meeting of Shareholders of the Company. The Members are divided into executive and non-executive, of which at least two (2) are independent members. The non-executive members should not be less than 1/3 of the total number of members, if not a fraction not occurs it is rounded up to the next whole number. The Board determines the status of its members as executive or not. The independent members are appointed by the General Assembly.~~ seven (7) to eleven (11) members and the term of office are five years.

2. ~~Regardless of the number of Board members decided by the General Meeting, i.e. 9 (nine) or 11 (eleven), two of the board members are employee representatives. Their appointment as well as their deputies, is made by the General Meeting together with the election of such other Board members and their term has the same duration as that of the other members. The extension of the mandate of the Board by any reason is extended to those members also. The earliest three months before the expiry of the five year term of the Board a universal vote is organised and carried among the employees for the election of the Board members, who will be appointed as their representatives in the General Assembly together with their deputies. The procedure for the election of the employee representatives and their deputies to the Board is conducted by the Electoral Commission of the representative of the primary trade union of employees of the Company, and their election is done with the system of proportional representation. The process of the elections, the setting of any local electoral commissions, the time and the details of the vote, the export and the reporting of the results are the work of this Committee, chaired by a Representative Judiciary, according to article 11 of Law 1264 / 1982. The extension of the mandate of the Board after five years has no effect on the election of the already appointed representatives, whose term of office begins after the expiration of the extended term of the Board.~~ In case of resignation, death or otherwise of the membership or the Board of Directors, the remaining members may continue the management and representation of the Company without the replacement of the missing members, provided that the number exceeds the half of the members as they were before the occurrence of the above events and the remaining members of the Board are at least three (3).

~~Those elected councillors, in case of resignation, death or any other reason of revocation, shall automatically be replaced by their deputies. In the event of termination of those they are replaced by the way of their appointment. Until the appointment of their replacements, if not more than one month of the election of representatives to the very special case of the previous provision, the Board constitutes and operates legally and without those members. Exceptionally and only for a transitional period immediately after the enactment of this by the Annual General Meeting of the Company until the election of the representatives by the employees, according to the above process, and the appointment of the representatives and their deputies from the Extraordinary General Meeting the Company will be~~

~~participating in this the already appointed representatives, by the voting of the present, the Board representatives.~~

~~3. The mandate of the Board shall be a five years one and may be extended automatically until the nomination or election of new directors, in accordance with the provisions of paragraph 2 of this Article. The extension may not exceed one (1) year.~~

Also, if a Board member resigns, dies or loses his capacity by any other means, the Board if it has at least three (3) remaining members may elect Directors to replace members who resigned, died or lost their capacity in any other way.

~~4. The Board is considered in formation and can be formed, as specified in the relevant Articles of this Statute, after its election by the General Assembly under the relevant minutes of the General Assembly.~~ In each case of electing a new Board of Directors, the General Assembly shall elect two persons as members and two deputies to each person nominated by the employees after the election, which should not have occurred in an earlier period of twelve months from the General Assembly by direct universal vote by the system of proportional representation. The procedure for the election is conducted by the Electoral Commission which is the representative of the primary trade union of employees in the Company. The process of the elections, setting any local electoral commissions, time and details of the vote, export and reporting of results are the work of this Committee, chaired by Representative Judiciary, under the provision of Article 11 of N.1264 / 1982. Failure or delay of persons and / or their deputies from employees exempts the General Assembly from the obligation of election of such persons to the Board and the election of the Board is not delayed. If a member elected in accordance with this paragraph shall resign, die or lose otherwise the membership of the Board and deputy has not been elected, the Board shall elect a replacement for the person who will be nominated by their employees in accordance with the above procedure. This paragraph is amended by the General Assembly, which is taken with a quorum of Article 29, § 1 & 2 and majority of article 31, paragraph 1 of Law 2190/1920.

~~5. The Board members can freely withdraw at any time by the General Assembly of the shareholders. The recall and replacement is done by those who have the right of election or nomination, according to paragraph 2 of this Article. The General Assembly may replace any of the Board members elected and before the expiration of the term.~~

~~6. The members of the Board may be re-appointed or re-elected indefinitely.~~

~~7. Board members can not be related to one another by blood or marriage up to the third degree or be in any form contractors or suppliers to the Company or Board members or employees by a firm in a business relationship with the Company.~~

~~8. In case of resignation, death or any other reason for one or more members before the expiry of their term, the remaining directors, if present or represented at least five (5), can elect temporary replacement or replacements for the remaining time until the end of the term of the members replaced and define the status of each member as an executive or non-executive. If elected by the Board member in temporary substitution of another independent member, the member must be elected and to be independent. The election shall be submitted for approval at the next General Meeting (ordinary or extraordinary). The acts of the members elected in this manner are considered valid even if the election will not be approved by the General Assembly.~~

~~9. Board member can be deductible if not participating or not represented at meetings for a period longer than six (6) months. The deduction from the office will be established by resolution of the Board which will be taken at the first meeting after the completion of the conditions for revocation.~~

~~10. The resignation of any member addressed the Board and becomes final when received by the Company, without acceptance.~~

~~11. The terms of compensation, fees, service etc. Board members are proposed by the Board and approved by the General Assembly, according to the articles 23a and 24 of the Law 2190/1920.~~