



## EXPLANATORY NOTE

### ON THE ITEMS OF THE DAILY AGENDA OF THE 1<sup>st</sup> REPETITIVE GENERAL MEETING OF SHAREHOLDERS OF "HELLENIC EXCHANGES S.A. HOLDING, CLEARING, SETTLEMENT & REGISTRY"

(Reg. Number 45688/06/B/00/30)

Wednesday June 2<sup>nd</sup> 2010, 18:00, "HERMES" hall,  
110 Athinon Ave, Athens - Greece

**ITEM #1: Reduction of the share capital in the amount of €8,497,913.19 through a reduction in the par value of each share by €0.13, and payment of this amount to shareholders**

Required quorum	Majority
1/2 of the share capital	2/3 of the votes represented

The Board of Directors proposes the reduction of the share capital in the amount of €8,497,913.19 through a reduction in the par value of each share by €0.13 and return of this amount to shareholders of the Company. Following the share capital return, the share capital of the Company will amount to €63,407,506.11, divided into 65,368,563 common registered shares with a par value of €0.97 each.

Furthermore, the Board of Directors proposes that the General Meeting: set September 22<sup>nd</sup> as the ex-date for the right to the share capital return; September 24<sup>th</sup> as the beneficiary determination date, and September 30<sup>th</sup> and the payment date, as well as to authorize the Board of Directors to take all necessary actions in order for the necessary approvals by the relevant authorities to be obtained, and to act as necessary in order for the payment of this reduction of share capital to shareholders to take place.

**ITEM #2: Amendment of article 5 of the Articles of Association concerning the share capital**

Required quorum	Majority
1/2 of the share capital	2/3 of the votes represented

The Board of Directors proposes that, provided that item #9 of the daily agenda is approved, that article 5 of the Articles of Association of the Company be amended, by replacing paragraph 1 and adding sub-paragraph o) at the end of said article 5, in order for the Articles of Association to reflect the abovementioned amendments.

The proposed amendment of article 5 of the Articles of Association of the Company is as follows:

**a) Replacement of paragraph 1 of article 5 of the Articles of Association:**

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**Article 5  
Share Capital**

1. The share capital of the Company amounts to sixty three million four hundred seven thousand five hundred six euro and eleven cents (€63,407,506.11), and is divided into sixty five million three hundred sixty eight thousand five hundred sixty three (65,368,563) common registered shares, with a nominal value of ninety seven cents (€0.97) each.

The abovementioned share capital was covered as follows:"

**b)** Addition of sub-paragraph o) at the end of article 5 of the Articles of Association:

"o) By resolution of the General Meeting of shareholders of ...../5/2010, it was resolved that the share capital of the Company be reduced by eight million four hundred ninety seven thousand nine hundred thirteen euro and nineteen cents (€8,497,913.19) through a reduction in the par value of each share in the amount of thirteen cents (€0.13), from one euro ten cents (€1.10) to ninety seven cents (€0.97) each, and payment of the corresponding amount to shareholders."

The Board of Directors further proposes that the addition of the modifications that will be approved be added to the Articles of Association, and that they be submitted, as required by law, to the appropriate Authorities.

The full text of article 5 is provided at the end of the present Explanatory Note (endnote (1<sup>i</sup>))

**ITEM #3: Decision on the spinoff of the clearing of transactions sector of the company and its contribution to the legal person (societe anonyme) with the name "Athens Exchange Clearing House S.A." in accordance with the provisions of articles 1-5 of law 2166/1993, and specification of agents and representatives of the company who will sign in front of a notary the act of contribution of the clearing of transactions sector**

Required quorum	Majority
1/2 of the share capital	2/3 of the votes represented

As part of the framework of upgrading the clearing services and harmonizing its rules of operation with established international practice, the Board of Directors of the Company has decided to spinoff the clearing of transactions sector of the Company, so that the clearing, settlement and registry services are offered through separate entities.

The clearing of transactions sector will be spun off and transferred to the company "ATHENS EXCHANGE CLEARING HOUSE S.A." (former "YPSIPILI REAL ESTATE DEVELOPMENT AND SERVICES PROVISION S.A."), 100% of whose shares are in the possession of the Company. The spinning off of the sector will be carried out under the provisions of articles 1-5 of Law 2166/1993.

Furthermore, the Boards of Directors of the two Companies have decided that the spinoff take place with the draft date of the Statement of Financial Position (Balance Sheet), that presents the financial position of the sector being spun off on March 31<sup>st</sup> 2010.

The certified auditors Mr. Constantinos Michalatos (SOEL Reg. No.: 17701) and Mr. Dimitrios Sourbis (SOEL Reg. No.: 16891) of auditing firm "PriceWaterhouseCoopers Auditing Company S.A." were appointed to carry out the audit of the financial position (balance sheet) transformation of the sector, in accordance with §2 of article 3 of Law 2166/1003, ascertain the book value of the assets of the sector being contributed, and to draft the relevant report. The auditors drafted the relevant report, from which it can be ascertained that on March 31<sup>st</sup> 2010, the clearing of transactions sector of "HELLENIC EXCHANGES S.A. HOLDING, CLEARING, SETTLEMENT AND REGISTRY" being spun off fulfills the requirements of the provisions of Law 2166/1993 in order to contribute an asset book value in the amount of €25,380 for the clearing of transactions sector to the company "ATHENS EXCHANGE CLEARING HOUSE S.A." (former "YPSIPILI REAL ESTATE DEVELOPMENT AND SERVICES PROVISION S.A.").

The full text of the Report Ascertaining the Book Value of the assets of the clearing of transactions sector that was drafted by the certified auditors of the auditing company "PriceWaterhouseCoopers Auditing Company S.A." is available on the website of the company.

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Furthermore, the Board of Directors proposes the approval of the spinoff of the clearing of transactions sector of the Company and its contribution to the company with the name "Athens Exchange Clearing House S.A.", as well as the specification of agents and representatives of the company who will sign in front of a notary the act of contribution of the clearing of transactions sector.

1<sup>i</sup>

## Article 5

### Share Capital

1. *The share capital of the Company amounts to **sixty three million four hundred seven thousand five hundred six euro and eleven cents (€63,407,506.11)**, and is divided into **sixty five million three hundred sixty eight thousand five hundred sixty three (65,368,563)** common registered shares, with a nominal value of **ninety seven cents (€0.97)** each.*

The abovementioned share capital was covered as follows:

- a) The Company's initial share capital was set at eighty six billion (86,000,000,000) GRD, divided into 50,000,000 registered shares, with a nominal value of one thousand seven hundred twenty (1,720) GRD each, paid up by the founders during the founding of the company.
- b) By resolution of the Company's Board of Directors on 6.4.2000 taken in accordance with article 51 of Law 2778/1999, it was decided to increase the share capital of the company by four billion and three hundred million (4,300,000,000) GRD in cash. To this end, two million five hundred thousand (2,500,000) new registered shares were issued with a nominal value of one thousand seven hundred twenty (1,720) GRD each.
- c) By resolution of the Extraordinary General Meeting of shareholders on 12.9.2001, it was decided to increase the share capital with capitalization of reserves in the amount of 41,343,750 GRD, with the respective increase in the nominal share value from 1,720 GRD to 1,720.7875 GRD and denominate the Company's share capital and the nominal share value in Euros.
- d) By resolution of the Extraordinary General Meeting of shareholders on 28.12.2001 it was decided to increase the company's share capital with the contribution of shares in the companies "Athens Derivatives Exchange S.A." 1.526.300 shares, "Central Securities Depository S.A.", 3.888.300 shares, "Athens Derivatives Exchange Clearing House S.A.", 4.370.500 shares, "Thessaloniki Stock Exchange Centre S.A." and "Systems Development and Support House of the Capital Market", 282.750 shares, by 32,150,534,588.3875 GRD or €94,352,265.85 respectively divided into 18,683,617 new registered shares with a nominal value of GRD1720.7875 / €5.05 each.
- e) By resolution of the Extraordinary General Meeting of shareholders on 22.2.2002, it was decided that the share capital increase decided by the General Meeting on 28 December 2001 finally amount, due to partial coverage, to the amount of 31,986,295,746 GRD/ €93,870,273.65 with the issue of 18,588,173 new common registered shares, in accordance with article 13(a)(2) of Codified Law 2190/1920, given that all shares in the companies "Athens Derivatives Exchange S.A." and "Central Securities Depository S.A." were contributed, 4,286,500 shares were contributed by the company "Athens Derivatives Exchange Clearing House S.A.", 66,015 shares by the "Thessaloniki Stock Exchange Centre S.A." and 277,125 shares by "Systems Development and Support House of the Capital Market S.A."
- f) By resolution by the Annual General Meeting of shareholders on 25.4.2005, the share capital of the Company was reduced by one hundred forty five million seven hundred thirty thousand seven hundred fifty four euro and sixty five cents (€145,730,754.65) by a two euro and five cent (€2.05) decrease in the par value of each share, and equal distribution to this amount to shareholders.
- g) By resolution of the First Repetitive General Shareholder's meeting on 19.9.2005, the share capital of the Company was reduced by two million five hundred seventy three thousand one hundred thirty euro (€2,573,130), due to a cancellation of eight hundred fifty seven thousand seven hundred ten (857,710) own common registered shares, with a par value of three (€3.00) euro each, which resulted from a share buyback program, in accordance with the provisions of article 16 of Codified Law 2190/1920, as it applies.
- h) By resolution of the First Repetitive General Shareholder's meeting on 23.5.2006, the share capital of the Company was reduced by eight seven million seven hundred eighty eight thousand seventy eight euro and seventy five cents (€87,788,078.75), by a one euro and five cent (€1.25) decrease in the par value of each share, and equal distribution to this amount to shareholders.
- i) By resolution of the Company's Board of Directors meeting held on 01.12.2006, in accordance with article 13(9) of Codified Law 2190/1920, as it applies and in accordance with the resolution of the General Shareholders Meeting as of 25/4/2005, the share capital of the company was increased by seventy one

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thousand and seven hundred and fifty euro (€71,750) by issuing forty one thousand (41,000) common registered shares with a one euro and seventy five cents (€1.75) par value each.

- j)** By resolution of the General Shareholder's meeting on 24.5.2007, the share capital of the Company was reduced by thirty five million one hundred and thirty five thousand and seven hundred and thirty one euro and 50 cents (€35,135,731.50) by a reduction in the par value of the share by €0.50 and payment of the corresponding amount to shareholders.
- k)** By resolution of the Company's Board of Directors meeting held on 26.11.2007 and in accordance with article 13(13) of Codified Law 2190/1920 and in accordance with the resolution of the General Shareholders Meeting as of 25/4/2005, the share capital of the company was increased by one hundred and thirty one thousand eight hundred and seventy five euro (€131,875) by issuing one hundred and five thousand and five hundred (105,500) common registered shares with a one euro and twenty five cents (€1.25) par value each.
- l)** By resolution of the Company's Board of Directors' meeting held on 17.12.2007, and in accordance with article 13(13) of Codified Law 2190/1920, and further in accordance with the resolution of the General Shareholders Meeting as of 24/5/2007, the share capital of the company was increased by one hundred and thirty five seven hundred and fifty euro (€135,750.00) by issuing one hundred and eight thousand (108,600) and six hundred common registered shares with a one euro and twenty five cents (€1.25) par value each.
- m)** By resolution of the General Meeting of shareholders of 26.5.2009, it was resolved that the share capital of the Company be reduced by six million three hundred ninety six thousand two hundred fifty (€6,396,250), due to the reduction of five million one hundred seventeen thousand (5,117,000) own common registered shares, which are the result of a share buy-back program, in accordance with the provisions of article 16 of Codified Law 2190/1920, as it applies, with a par value of one euro twenty five cents (€1.25) each.
- n)** By resolution of the General Meeting of shareholders of 26.5.2009, it was resolved that the share capital of the Company be reduced by nine million eight hundred five thousand two hundred four euro and forty five cents (€9,805,284.45) through a reduction in the par value of each share in the amount of fifteen cents (€0.15), from one euro twenty five cents (€1.25) to one euro ten cents (€1.10) each, and payment of the corresponding amount to shareholders.
- o)** *By resolution of the General Meeting of shareholders of ...../5/2010, it was resolved that the share capital of the Company be reduced by **eight million four hundred ninety seven thousand nine hundred thirteen euro and nineteen cents (€8,497,913.19)** through a reduction in the par value of each share in the amount of **thirteen cents (€0.13)**, from one euro ten cents (€1.10) to ninety seven cents (€0.97) each, and payment of the corresponding amount to shareholders.*