



## WATER SUPPLY AND SEWERAGE COMPANY OF THESSALONIKI S.A.

### **Explanatory report of the BoD according to the provisions of paragraph 1, article 11a, of L. 3371/2005**

The present explanatory report of the Board of Directors of WSSC of Thessaloniki S.A to the Regular Stockholders General Meeting includes thorough information according to the provisions of paragraph 1, article 11a of L. 3371/2005.

#### **1. Stock capital structure.**

The company's stock capital amounts to Euros 20.328.000, 00 divided in 18.150.000 common registered stocks, of Euros 1,12 nominal value per stock. All stocks are admitted for trading in the Athens Stock Exchange Values Market, in the High Capitalization category. The company stocks are common, nominal and with a right to vote.

#### **2. Limitations in the transfer of company stocks.**

The transfer of Company stocks is done according to the Law and there are no limitations in their transfer according to its statute.

#### **3. Important direct or indirect participations as defined according to the provisions of the P.D. 51/1992.**

By the date 25 /04 /2007 the Greek state owns a percentage of 74,02% of the company's capital stock. No other legal or natural person owns a percentage more than 5% of the stock capital.

#### **4. Holders of any kind of stocks that offer special control rights.**

There are no Company stocks offering their holders special control rights.

#### **5. Limitations on the right to vote.**

The Company's statute does not provide for limitations on the right to vote.

#### **6. Agreements among Company stockholders.**

The Company is not aware of the existence of agreements among stockholders which would mean limitations in the transfer of its stocks or in the right to vote which derives from the stocks.

**7. Rules for the appointment and replacement of the members of the Board of Directors and the alterations of the statute.**

The rules provided in the Company statute, the appointment and replacement of the members of the Board of Directors and the alterations of the provisions of the statute, do not differentiate than what is provided in the L.C. 2190/1920.

**8. Jurisdiction of the Board of Directors or of specific members for the issue of new stocks or the purchase of own stocks.**

According to article 8 of the Company's statute, by a General Meeting decision, which is subject to the publicity formalities of article 7b of the L.C. 2190/1920 as valid, the Board of Directors can be granted the right, by a decision taken by the two thirds (2/3) majority of its members, to increase stock capital by issuing new stocks. The amount of increases cannot exceed the amount of capital stock paid on the date this specific decision is taken by the General Meeting. According to the provisions of paragraph 5 to 13 of article 16 of the L.C. 2190/1920, companies admitted to the Athens Stock Exchange can, by a decision of the Stockholders General Meeting, acquire own stocks through the Athens Stock Exchange up to a percentage of 10% of the total of their stocks, with the aim to support their stocks exchange value and by particular terms and procedures of the above mentioned paragraphs of article 16 of the L.C. 2190/1920. There is no opposite provision in the Company statute.

**9. Any important agreement signed by the Company that becomes valid, is altered or ends in case of change in the Company audit after public motion and the results of such an agreement.**

No such agreement exists.

**10. Any agreement that the Company has signed with members of its Board of Directors or its employees, which provides for compensation in case of resignation or lay off without grounded reason or termination of term of office or termination of their employment due to public motion.**

There are no Company agreements with the members of the Board of Directors or its employees, which provide for payment of compensation, particularly in case of resignation or lay off without grounded reason or termination of term of office or termination of their employment due to public motion.