



RECOMMENDATION OF THE BOARD OF DIRECTORS

of the company "PAPAPANAGIOTOU Societe Anonyme Commercial and
Representative Societe Anonyme" ("DROMEAS SA")

No. G.E.MI .: 114048152000

To the ANNUAL GENERAL ASSEMBLY of 12-07-2021

FOR THE CANDIDATE NEW MEMBER OF THE BOARD OF DIRECTORS

AND THE AUDIT COMMITTEE

The Board of Directors, during the evaluation of the suitability of its members, in accordance with the Suitability Policy that will be proposed for approval at the annual General Assembly of shareholders on July 12, 2021, but also in accordance with the provisions of the new Law 4706/2020, found that Grigorios Zarotiadis, who has been appointed as an independent non-executive member of the Board of Directors and as Chairman of the Company's Audit Committee, at the annual General Assembly of the Company on 16-06-2020, does not meet the criteria of independence, within the meaning of article 9 Law 4706/2020, as he has already been a member of the Board of Directors of the Company for more than nine (9) fiscal years in total at the time of his election.

In addition, the Board of Directors, during today's meeting, was informed by the non-executive member Mr. Stylianos Petrislis, that from 12-07-2021 he resigns as a member of the Board of Directors of the Company, as well as as a member of the Audit Committee of the Company, which is Committee of the Board of Directors. This notification is made as above, in time, in order for the Board of Directors to take it into account for the formulation of its overall proposal to the annual General Assembly of shareholders on July 12, 2021.

Based on the above, the Board of Directors proposes to the annual General Assembly of Shareholders of July 12, 2021:

-to revoke the appointment of Grigorios Zarotiadis as an independent member of the Board of Directors of the Company, which implies the automatic revocation of his appointment as Chairman of the Audit Committee of the Company. (The above Grigorios Zarotiadis, after such a revocation, will remain a member of the six-member Board of Directors

Board of Directors, but the Board of Directors will include in its composition only one (1) independent non-executive member).

-to elect a new member of the Board of Directors, for the rest of his term (ie until June 15, 2026), to replace the above Stylianos Petrislis, but who has the qualifications to appoint an independent member, so that the Board of Directors Council to include in its composition two (2) independent non-executive members, and as such proposes Mr. Ioannis Verginis. Mr. Ioannis Verginis studied at the Department of Economics of the School of Law and Economics of the Aristotle University of Thessaloniki and speaks fluent English.

In his long career as a Business Consultant he has worked in important industrial companies such as ALUMYL SA, VITOUMINA SA, LEONTARIDIS SA, NATURE BLESSED, INTERFORM SA while since 2017 he is a Manager in the Wholesale Trade Company of Industrial Tools. For a number of years he has been the Managing Director, Deputy Chairman, Managing Director and Member of the Board of MINOS SA Macedonian Metallurgy as well as liquidator of the Hellenic Company Steel SA.

He has been Honorary Consul of the Grand Duchy of Luxembourg in Northern Greece since 2005 and Member of the Board of the Thessaloniki Chamber of Commerce and Industry since 1987. He is President of the Commercial Department of the Thessaloniki Chamber of Commerce and Industry and Member of the Board of Directors. DARION IOANNOU SA, Cricket SA, Kalogianni Bros. SA Thessaloniki, BITOYMINA A.E., THERMI VENTURES A.E. and BETA CONTRACT A.E. As a representative of the Thessaloniki Chamber of Commerce & Industry and the Association of Industries of Northern Greece, he participated in Committees of the Ministry of Finance, in the Standing Committee for the simplification of International Trade procedures (Hellenic Trade Pro), in the National Export Council, Industry, the Organization of Foreign Trade (OPE SA), the Board of Directors of the Thessaloniki International Fair TIF SA, the Center for Administration and Cultural Development (KEPA), ELOT, the Organizing Committee of the Development Conference of the Region of Central Macedonia National Strategic Plan for Development 2007-2013, the Advisory Committee for the Regulation of Operation of the Industrial Area of Thessaloniki, the Working Group of the Ministry

Macedonia-Thrace for claiming EXPO 2008 in Thessaloniki, the Hellenic Bank for Industrial Development (ETVA), the Association of Greek Banks - Standing Committee of Producers' Associations and the National Plan for the Reconstruction of the Balkans.

Consequence of the above, the Board of Directors ascertains the fulfillment in the person of Mr. Vergini of the criteria of suitability and independence, according to the approved Suitability Policy of the Company and the provisions of Law 4706/2020, as it has:

- (a) the knowledge, skills and experience required to carry out its duties within the Company, as it has the necessary knowledge and experience in financial, audit and financial matters, the risks and the operation of industry and in particular of industrial production enterprises; as is the Company
- (b) good reputation, honesty and integrity, as there are no objective and proven reasons to suggest otherwise, in order to ensure the prudent and sound management of the Company;
- (c) is not in a state of conflict of interest with the Company and has an independent and objective judgment in the performance of its duties; and
- (d) sufficient time for his participation in the Board of Directors and any of its committees, as his other professional activities have been examined and do not deprive him of the necessary time to carry out his work.

In addition, the Board of Directors notes that the above:

- has not been a member of the Board of Directors of the Company or its affiliated company for more than nine (9) financial years in total at the time of his election,
- has not been a manager in the Company or in a company affiliated with it during the last three (3) financial years prior to his election,
- has no second degree kinship by blood or kinship, or is a spouse or partner equated with a spouse, member of the Board of Directors or senior management or shareholder, with a percentage of participation

equal to or more than ten percent (10%) of the share capital of the Company or its affiliated company,

- has not been appointed by a certain shareholder of the Company, as provided in article 79 of law 4548/2018,
- has not carried out a mandatory audit in the Company or in a company affiliated with it, either through a company or himself or his relative up to the second degree by blood or by marriage or his spouse, during the last three (3) financial years before his election ,
- is not an executive member in another company, in the Board of Directors of which an executive member of the Company participates as a non-executive member.

In addition, according to the responsible statement from 18.06.2021:

- does not hold directly or indirectly a percentage of voting rights greater than 0.5% of the Company's share capital and is free from financial, business, family or other dependent relationships, which may influence its decisions and its independent and objective judgment.
- has not been issued within one (1) year, before his election, a final court decision acknowledging his guilt for loss-making transactions of a listed company or a non-listed company of Law 4548/2018, with related parties. (It is noted that the Company's Articles of Association do not provide for a longer period of time than the above mentioned)
- does not receive any significant remuneration or benefit from the Company, or from an affiliated company
- neither he, nor a person having close ties with him, maintains or has maintained a business relationship during the last three (3) financial years prior to his appointment with the Company or with a person affiliated with the Company or with a shareholder directly holding or indirectly a participation percentage equal to or greater than ten percent (10%) of the share capital of the Company or a company affiliated with it.

From the above, there is a need to redefine the Audit Committee, in the framework of which the Board of Directors proposes that the General Meeting of the Company's Audit Committee decide:

a) to be a committee of the Board of Directors, which will also appoint its members.

b) to have three members and to consist of two (2) Independent Non-Executive Members of the Board of Directors and one (1) Non-Executive Member of the Board of Directors, in accordance with the provisions of article 44 par. 1 of Law 4449/2017 and no. 10 of the new law 4706/2020

(c) the term of office of the Audit Committee is six years;

d) The Chairman of the Audit Committee to be an independent non-executive member of the Board of Directors and to be appointed by the members of the Audit Committee during its formation in a body.

This Presentation and the detailed biographical point of the candidate of the new independent member of the Board of Directors are posted on the Company's website.

Serres, 18th of June 2021

The Board