

## **CORINTH PIPEWORKS S.A.**

### **SUPPLEMENTARY-EXPLANATORY BOARD OF DIRECTORS ANNUAL MANAGEMENT REPORT TO THE ORDINARY GENERAL SHAREHOLDER MEETING** **(Law 3371/2005, Article 11a, Paragraph 1)**

#### **a) Share Capital Structure**

The Company's share capital amounts to EUR 96,852,756.78, divided into 124,170,201 ordinary registered shares with a nominal value of EUR 0.78 per share. All shares are listed for trading on the Athens Stock Exchange, in the Large Cap Category. The Company's shares are intangible, registered and with a right to vote.

According to the Company's Articles of Association, the rights and obligations of shareholders are as follows:

- Right to dividends from the Company's annual profits. The dividend of each share is paid to shareholders following approval of the financial statements by the General Meeting in accordance with the provisions of the respective resolution of the Board of Directors. Individuals who do not receive dividends on time are not entitled to interest. The right to collect dividends is forfeited after the lapse of five (5) years from the end of the year, during which it was due.
- Pre-emptive right to every Company share capital increase and the acquisition of new shares.
- Right to participate in the General Shareholder Meeting.
- The capacity of shareholder automatically entails the acceptance of the Company's Articles of Association and the decisions of its bodies, which are consistent to the provisions of the said Articles and the Law.
- The Company's shares cannot be divided and the Company acknowledges only one owner per share. All joint shareholders, as well as those who have usufruct or bare ownership of shares, are represented in the General Meeting by only one person appointed by them upon agreement. In case of disagreement, the share of the aforementioned parties is not represented.
- The shareholders are not liable beyond the nominal capital of each share.

#### **b) Restrictions in the Transfer of Company Shares**

The transfer of Company shares is carried out in accordance with the provisions of Law, and the Articles of Association do not stipulate any restrictions as to their transfer.

#### **c) Significant Direct or Indirect Participations Pursuant to Presidential Decree 51/1992**

The significant participations (over 5%) as of 31-12-2006 were as follows:

- VIOHALCO S.A. a percentage of 82,21% of voting rights
- ELMONTE HOLDINGS Ltd. a percentage of 82,21% of share capital\*

*\*ELMONTE is a subsidiary by 100% of SIDENOR, which is a subsidiary of VIOHALCO.*

#### **d) Shares that offer Special Control Rights**

There are no issued shares of the Company that offer special control rights.

#### **e) Restrictions in voting rights**

No voting right restrictions, arising from its shares, are stipulated by the Company's Articles of Association. The rules of the Company's Articles of Association regulating voting issues are given under Article 24 which states that:

- Every share grants the right to one vote in the General Meeting.
- In order for shareholders to be entitled to attend the General Meeting, they are obligated, at least five (5) days in advance of the date fixed for the Meeting, to submit to the Company a certificate by the Central Securities Depository listing all shares registered on their name, with a commitment not to transfer these shares until the day of the General Meeting. Within the same deadline, they must also submit to the Company's offices the proxies of the shareholders' representatives.

#### **f) Agreements Between Company Shareholders**

To the Company's knowledge, there are no such agreements.

#### **g) Rules of appointment and replacement of the Members of the Board of Directors and amendment of the Company's Articles of Association.**

The rules provided by the Company's Articles of Association regarding, both the appointment and replacement of members of the Board of Directors, as well as the amendment of its provisions, are not differentiated from the statutory provisions of Codified Law 2190/1920.

#### **h) Jurisdiction of the Board of Directors for the Issuance of New or the Purchase of Own Shares**

- Pursuant to the provisions of Article 13, paragraph 1, sections b and c of Codified Law 2190/1920, the Company's Articles of Association stipulate that only the General Shareholder Meeting has the authority to increase the Company's share capital by issuing new shares, following a resolution taken by a majority vote of at least 2/3 of the votes represented in the meeting.
- The Board of Directors may purchase own shares within the framework of a General Meeting resolution pursuant to Article 16, paragraphs 5 to 13 of Codified Law 2190/20..
- Pursuant to the provisions Article 13, paragraph 9, of Codified Law 2190/1920 and following a relevant resolution by the General Meeting to introduce a

share offering plan for company BoD members and personnel, in the form of a Stock Option Plan, the Board of Directors may issue shares for beneficiaries, increasing share capital accordingly and confirming the relevant increase. Such a stock option rights plan has not been approved by the Company's General Shareholder Meeting.

**i) Significant Agreements that Become Valid, Are Amended or Terminated in the Event of Change of Control**

Bond loans issued by the Company and undertaken in their entirety by banks, with a total balance of EUR 75,000,000 as of 31 December 2006, include a clause in their terms for the event of change of control, which, if enacted, gives bondholders the right to terminate the loan before maturity.

To the Company's knowledge, there are no other agreements that become effective, are amended or terminated in the event of change of Company control.

**j) Agreements with Members of the Board of Directors or Company Personnel**

To the company's knowledge, there are no agreements between the Company and members of the Board of Directors or its personnel, which provide for the payment of compensation, especially in the event of resignation or termination of employment without reasonable grounds or termination of term or employment due to a takeover bid.

Athens, 14 May 2007

**The Chairman of the Board of Directors**

**Constantinos Bakouris**