

**Comments of the Board of Directors of “MOTOR OIL (HELLAS) S.A.”  
on the items of the agenda of the Annual Ordinary General Assembly  
of Company Shareholders to be held on June 5<sup>th</sup>, 2019**

Pursuant to article 123 of the Law 4548/2018 as it is in force, the comments of the Board of Directors of MOTOR OIL (HELLAS) S.A. on the items of the daily agenda of the Annual Ordinary General Shareholders Meeting to be held on Wednesday June 5<sup>th</sup>, 2019 at 12:00 noon Athens time (UK: 10:00am, EASTERN US: 05:00am) at the NJV Athens Plaza Hotel (2 Vassileos Georgiou A' Street, Syntagma Square, Athens) are presented hereunder.

1. With regard to the **first item** on the agenda:

**“Submission and approval of the Financial Statements of the Company (on a stand-alone and consolidated basis) for the financial year 2018 (1.1.2018 - 31.12.2018) together with the accompanying reports of the Board of Directors and the Auditors”**, the Board hereby notes the following:

The full set of 2018 Annual Financial Report, including the Published Figures & Information, the notes (disclosures) on the financial statements, the declaration of the representatives of the Board pursuant to article 4 of Law 3556/2007, the Report of the Board of Directors also pursuant to article 4 of Law 3556/2007, the Corporate Governance Statement pursuant to the Law 4548/2018 and the Auditor’s Report of the Certified Public Accountant, is available on the Company’s website [www.moh.gr](http://www.moh.gr) (Investor Relations / Financial Information / Full Year Financial Reports).

The key financial figures of MOTOR OIL (The Company) for the financial years 2017 – 2018 are presented hereunder:

<b><u>Profit &amp; Loss (million EUR)</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Turnover	5,739	7,206
Less: Cost of sales	5,114	6,755
<b>Gross Profit</b>	<b>626</b>	<b>451</b>
Less: Selling & administration expenses	64	65
Plus: Other operating income (expenses)	(10)	26
<b>EBITDA</b>	<b>552</b>	<b>411</b>
Less: Depreciation	79	75
<b>Earnings Before Interest &amp; Tax (EBIT)</b>	<b>473</b>	<b>336</b>
Less: Financial cost	50	19
<b>Earnings before Tax (EBT)</b>	<b>422</b>	<b>317</b>
Less: Tax	127	89
<b>Earnings after Tax (EAT)</b>	<b>296</b>	<b>228</b>

The key balance sheet figures of the Company as of 31.12.2017 and 31.12.2018 are presented hereunder:

<b><u>Balance Sheet (million EUR)</u></b>	<b><u>31.12.2017</u></b>	<b><u>31.12.2018</u></b>
Non-current assets	878	909
Current assets	1,389	1,272
Cash	639	600
Other current assets	750	672
<b>Total Assets</b>	<b>2,267</b>	<b>2,181</b>
<b>Total Equity</b>	<b>882</b>	<b>958</b>
Staff retirement provisions	53	56
Bank debt	667	609
Other liabilities	665	558
<b>Total Liabilities</b>	<b>1,385</b>	<b>1,223</b>
<b>Total Equity &amp; Liabilities</b>	<b>2,267</b>	<b>2,181</b>
<b>Net Debt / Equity</b>	<b>0.03</b>	<b>0.01</b>

In fiscal year 2018, the Company's strategy focused on achieving a high rate of utilization for its Refinery, selling its products in the most effective way to the three main markets it traditionally operates (domestic, exports, shipping/aviation), and generating positive cash flows. At a Group level, Motor Oil achieved an extension of its debt maturity profile (leading to steadily lower interest cost), and enhanced its business portfolio through targeted acquisitions. The retail marketing arms of the Group continued to grow in a profitable way, increasing their contribution to the Group's operating profitability.

The Company achieved record sales volume in 2018 (14.4m MTs vs. 14.0m MTs in 2017), but profitability was negatively affected by a weaker refining margin environment compared to the previous year and inventory valuation losses after a sharp drop of crude oil and product prices during the last quarter of the year. In specific, Earnings Before Tax amounted to Euro 317 million in 2018 compared to Euro 422 million in 2017 and Earnings After Tax amounted to Euro 228 million compared to Euro 296 million a year earlier.

Group financial results presented a similar performance to the ones of the parent Company. In specific, Earnings Before Tax amounted to Euro 355 million in 2018 compared to Euro 450 million in 2017 and Earnings After Tax and Minorities amounted to Euro 257 million compared to Euro 315 million a year earlier.

**The Board recommends that the General Meeting approves the Company and Consolidated financial statements of the fiscal year 2018 and the accompanying BoD and Auditor's reports.**

2. With regard to the **second item** on the agenda:

***“Approval of the overall management of the Company for the fiscal year 2018 (pursuant to article 108 of the Law 4548/2018) and discharge of the Auditors from any liability for damages with regard to the Financial Statements for the financial year 2018”***, the Board hereby notes the following:

The yearly financial statements were prepared in accordance with the International Financial Reporting Standards applicable to the listed companies. They represent a true and fair view of the assets, liabilities, shareholders equity and statement of comprehensive income of the Company and the companies included in the consolidated financial statements taken as a total. The Auditor's report bears an “unqualified opinion”.

**The Board recommends that the General Assembly approves the Company's overall management and the discharge of the Auditors.**

3. With regard to the **third item** on the agenda:

***“Election of the members of the new Board of Directors as the term of service of the existing Board expires”***, the Board hereby notes the following:

The current Board comprises of eleven Directors, as follows:

<b>Chairman &amp; Managing Director:</b>	Mr. Vardis J. Vardinoyannis
<b>Vice Chairman:</b>	Mr. Yannis V. Vardinoyannis
<b>Executive members:</b>	Mr. John N. Kosmadakis, Mr. Petros T. Tzannetakis, Mr. Michael-Matheos J. Stiakakis, Mr. Theofanis Chr. Voutsaras
<b>Non-Executive members:</b>	Mrs. Niki D. Stoufi, Mr. George P. Alexandridis
<b>Non-Executive Independent members:</b>	Mr. Antonis Th. Theocharis, Mr. Anastasios-Elias Chr. Triandaphyllidis, Mr. Panayotis J. Constantaras.

The above-mentioned Board is representative of the Company's organizational structure, while a wide range of knowledge, qualifications and experience conducive to corporate goals are represented in it. The Company's Memorandum provides that the maximum number of Directors can be twelve (12).

The Board hereby proposes the election by the AGM of Mr. Demosthenes N. Vardinoyannis as twelfth Director on the grounds that such addition will strengthen the Company's Corporate Governance practices.

The resume of Mr. Demosthenes N. Vardinoyannis is presented hereunder:

**Demosthenes N. Vardinoyannis.** He was born in 1968. He studied Business at Georgetown University. He is a Board member of several companies engaging in various sectors.

The curriculum vitae of the other Directors are available at the Company's website [www.moh.gr](http://www.moh.gr) (About MOH / Organizational Structure / Board of Directors).

**The Board recommends that the General Assembly re-elects the above-mentioned eleven (11) members and it additionally elects Mr. Demosthenes N. Vardinoyannis as twelfth member for the new Board.**

4. With regard to the **fourth item** on the agenda:

***“Appointment of the members of the Audit Committee in accordance with the article 44 of the Law 4449/2017”***, the Board hereby notes the following:

As mentioned in the Company's Code of Corporate Governance (available at the [www.moh.gr](http://www.moh.gr), About MOH / Corporate Governance), the Audit Committee assists considerably the Board to carry out its duties. The functioning of the Audit Committee in the case of MOTOR OIL dates back to 1996.

The composition of the current Audit Committee is as follows:

**Chairman:** Mr. Panayotis J. Constantaras  
**Members:** Mr. George P. Alexandridis,  
Mr. Constantinos N. Thanopoulos,  
**Substitute Member:** Mrs. Niki D. Stoufi

**The Board recommends that the General Assembly re-appoints the above-mentioned members of the Audit Committee.**

5. With regard to the **fifth item** on the agenda:

***“Approval of the distribution of Company earnings and of a dividend for the fiscal year 2018”***, the Board hereby notes the following:

The proposed aggregate amount of dividend for the fiscal year 2018 equals Euro 144,017,874 or Euro 1.30 per share, unchanged vs. the dividend distributed for the fiscal year 2017. The dividend per share (DPS) amount for the fiscal year 2018 corresponds to a dividend yield of 6.2% based on the closing price of the share on 31/12/2018 and of 6.6% based on the volume weighted average price (VWAP) of the share in 2018.

An aggregate amount of Euro 38,774,043 (or Euro 0.35 per share) has already been paid as interim dividend for the fiscal year 2018 in December 2018 (ex-date: December 10<sup>th</sup>, 2018, record date: December 11<sup>th</sup>, 2018, payment commencement date: December 17<sup>th</sup>, 2018).

Following the above, the dividend remainder amount for the fiscal year 2018 is Euro 105,243,831, or Euro 0.95 per share. The proposed relevant dates are as follows:

<b>Ex-dividend date:</b>	Wednesday June 26 <sup>th</sup> , 2019.
<b>Record date:</b>	Thursday June 27 <sup>th</sup> , 2019.
<b>First day of payment:</b>	Wednesday July 3 <sup>rd</sup> , 2019.

**The Board recommends that the General Meeting approves the aggregate amount of Euro 1.30 per share as dividend for the fiscal year 2018 and the relevant dates above in respect of the payment of the dividend remainder amount of Euro 0.95 per share for the fiscal year 2018.**

6. With regard to the **sixth item** on the agenda:

***“Election of two Certified Auditors, one ordinary and one substitute, for the accounting year 2019 and approval of their fees”***, the Board hereby notes the following:

The Audit Committee recommends the reappointment of Messrs Tilemachos Georgopoulos (SOEL Nr. 19271) and Emmanuel Pelidis (SOEL Nr. 12021) as ordinary and substitute Certified Auditor respectively for the fiscal year 2019. Both Auditors work for the Auditing firm “Deloitte Certified Public Accountants S.A.”.

The Audit Committee of the Company recommends an increase of the Auditor fees for the fiscal year 2019 of approximately 8% compared to their fees for the fiscal 2018. It is noted that the Auditor fees remained unchanged in 2017 and 2018. The proposed increase of the Auditing firm fees is justified by to the increased number of the consolidated equities following recent acquisitions.

**The Board recommends that the General Meeting approves the election of the two Certified Auditors and the fees of Deloitte for the fiscal year 2019.**

7. With regard to the seventh item on the agenda:

**“Approval of the fees paid to the Board of Director members for the financial year 2018 and pre-approval of their fees for the financial year 2019”**, the Board hereby notes the following:

As mentioned in the Code of Corporate Governance of the Company, the executive Board members receive a fee of Euro 16,000 per annum, while the non-executive ones a fee of Euro 19,000 per annum for their services as members of Board. The above-mentioned fees have remained unchanged since the fiscal year 2003.

The fees of the non-executive independent BoD members are Euro 28,000 per annum, while the Audit Committee members receive Euro 35,000 per annum.

Consequently, the Board proposes the following Director fees for approval by the current Annual General Meeting:

<b>Executive members:</b>	Euro 16,000 per annum
<b>Non-Executive members:</b>	Euro 19,000 per annum
<b>Non-Executive independent members:</b>	Euro 28,000 per annum
<b>Audit Committee members:</b>	Euro 35,000 per annum

With reference to the year 2019 fees, the Board of the Company hereby recommends that they remain unchanged versus those of 2018.

**The Board recommends that the General Meeting approves the above-mentioned Directors’ fees for the fiscal year 2018 and pre-approves the Directors’ fees for the fiscal year 2019.**

8. With regard to the eighth item on the agenda:

**“Approval for advance payment of fees to Board of Director members for the period until the next Ordinary General Meeting pursuant to Article 109 of Law 4548/2018”** the Board hereby notes the following:

In certain cases, particularly those of the Audit Committee members, actual payment of the pre-approved annual fixed fee to the Directors is effected in advance through quarterly instalments during the period until the next Annual Ordinary General Assembly.

**The Board recommends that the General Meeting approves the above-mentioned advance payments.**

9. With regard to the **ninth item** on the agenda:

***“Distribution of part of the Company’s Net Income of the fiscal year 2018 to the personnel and to members of the Board of Directors and granting of the relevant authorizations”***, the Board hereby notes the following:

As mentioned in the Code of Corporate Governance of the Company “The Company does not offer its employees and executive management additional bonuses on a regular basis and it does not implement an incentive policy in the form of stock options”.

The Board hereby proposes the distribution of part of the Company’s FY2018 Net Income, up to a maximum amount of Euro 9.0 million, as an exceptional performance bonus to the personnel and to Board of Directors members (independent members are excluded), as recognition of their contribution in achieving 2018 profitability.

**The Board recommends that the General Meeting approves the distribution of part of the Company’s FY2018 Net Income to the personnel and to members of the Board of Directors and grants the relevant authorizations to the Board to attend to all procedural matters.**

10. With regard to the **tenth item** on the agenda:

***“Approval of the remuneration policy pursuant to article 110 of the Law 4548/2018”***, the Board hereby notes the following:

The Board of the Company has prepared the Directors’ Remuneration Policy (DRP) which is submitted to the Annual General Meeting for approval pursuant to the article 110 of the Law 4548/2018. The vote of Company shareholders with respect to the approval or non-approval of the DRP is binding, while the maximum period of the validity of the Policy is four (4) years following its approval by the General Assembly. The Company is obliged to submit the Policy for re-approval by the General Assembly each time a material change occurs in the parameters the preparation of the Policy was based on and in any case each four (4) years following its approval by the General Assembly.

The DRP for approval by the General Meeting is available at the Company website [www.moh.gr](http://www.moh.gr) (Investor Relations / Announcements – Press Releases / General Shareholders Meetings / 2019).

**The Board recommends that the General Meeting approves above-mentioned Directors’ Remuneration Policy.**

11. With regard to the eleventh item on the agenda:

***“Amendment of the Articles of Association of the Company in the context of its harmonization with the Law 4548/2018”***, the Board hereby notes the following:

Following the introduction of the Law 4548 / 2018, all companies have a period of one (1) year to amend their Articles of Association in order to harmonize it with the provisions of the Law which is in effect since January 1, 2019. To this end, the Board submits for approval by the Annual General Meeting the amended articles of the Company's Memorandum.

**The Board recommends that the General Meeting approves the above-mentioned amendment of the Company's Articles of Association.**

***The Board of Directors  
Maroussi, May 30<sup>th</sup>, 2019***