



## **“ORGANIZATION OF FOOTBALL PROGNOSTICS S.A.”**

THE 16<sup>th</sup> ORDINARY GENERAL MEETING DATED APRIL 25<sup>th</sup>, 2016  
FOR THE SHAREHOLDERS OF THE SOCIETE ANONYME UNDER THE BUSINESS NAME  
“ORGANIZATION OF FOOTBALL PROGNOSTICS S.A.” (the “Company”)  
G.E.MI. 3823201000 (FORMER AR.M.A.E. 46329/06/B/00/15)  
(FISCAL YEAR 01/01/2015-31/12/2015)

### **EXPLANATORY REPORT – RECOMMENDATION OF OPAP S.A.’s BOARD OF DIRECTORS TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS REGARDING THE ITEMS ON THE DAILY AGENDA**

**Item 1<sup>st</sup>: Submission and approval of the Company’s Financial Statements and of the consolidated Financial Statements for the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 to the 31<sup>st</sup> of December 2015) and of the relevant Directors’ Report and Auditors’ Report.**

**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented

(a) The Annual Financial Statements include the corporate and consolidated statement of financial position as of December 31<sup>st</sup>, 2015, the corporate and consolidated statements of comprehensive income, changes in equity and cash flows for the respective year, and a summary of significant accounting policies and methods and other explanatory information.

The above documents form a whole and are audited by the Auditors, in accordance with the stipulations in articles 36, 36a, 37 and 43a of Codified Law 2190/1920, as in force today, in conjunction with article 4 of Law 3556/2007.

The Annual Financial Statements must be drawn up in accordance with the stipulations in articles 42a, 42b, 42c, 42d, 42e, 43 and 43a of Codified Law 2190/1920, as in force today, and show a clear and transparent picture of the Company’s asset structure, financial position and fiscal year results.



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The Annual Financial Statements were approved by the Board of Directors' decision dated 24.03.2016. They were published in accordance with the applicable law and have been posted on the Company's website ([www.opap.gr](http://www.opap.gr)), as an integral part of the Annual Financial Report.

(b) The Company's Board of Directors' Management Report to the Ordinary General Meeting of Shareholders has been prepared in accordance with the stipulations in Article 43a, paragraph 3 of Codified Law 2190/1920, as in force today, and it includes, through a balanced and comprehensive analysis, the true picture of the Company's development and performance, its position, the description of the principal risks and uncertainties that it faces, and corresponds to the size and complexity of the Company. Furthermore, the annual Management Report includes the corporate governance statement as provided for in article 43a, paragraph 3 of Codified Law 2190/1920, as in force.

The Auditors' Report, beside the information specified in paragraph 1 of article 37 of Law 2190/1920 and paragraph 4 of article 43a of Codified Law 2190/1920, as in force today, verifies that the contents of the annual Management Report of the Board of Directors are in agreement with the Annual Financial Statements of the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 to the 31<sup>st</sup> of December 2015), as defined in article 43a, paragraph 3 of Codified Law 2190/1920, as in force.

The Company's Management Report of the Board of Directors was approved by the Board of Directors' decision dated 24.03.2016 (item 1<sup>st</sup>) and has been posted along with the Auditors' Reports, on the Company's website ([www.opap.gr](http://www.opap.gr)), as an integral part of the Annual Financial Report.

Additionally, the relevant Press Release, as well as the annual analyst briefing have both been posted on the Company's website.

The Company's Board of Directors makes the recommendation to the General Meeting of the Shareholders, that the Annual Financial Statements for the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 until the 31<sup>st</sup> of December 2015) as well as the relevant Company's Management Report of the Board of Directors and Certified Auditors' Report are approved.

**Item 2<sup>nd</sup>: Approval of the distribution of earnings for the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 to 31<sup>st</sup> of December 2015).**

**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented



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The profits of annual use of the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 to the 31<sup>st</sup> of December 2015) **are two hundred eleven million ninety thousand five hundred twelve euros and two cents (€211.090.512,02 €)** after the deduction of the appropriate income tax.

In taking into account the company's profitability, prospects, investment plans and strategic planning, the Company's Board of Directors, recommends to the General Meeting of shareholders, as per the specific stipulations of articles 46 and 46a of Codified Law 2190/1920, as in force today, that the net profits from the sixteenth (16<sup>th</sup>) fiscal year (from 1<sup>st</sup> of January 2015 to the 31<sup>st</sup> of December 2015) be distributed to the Shareholders of the Company as follows:

NET PROFITS	€211.090.512,02
LESS: NON-DISTRIBUTED EARNINGS	€ 83.653.128,82
TOTAL DISTRIBUTED EARNINGS	€ 127.437.383,20
RECOMMENDED DIVIDEND PER SHARE	€ 0,40

Therefore, the Board of Directors following its decision dated 24.03.2016 proposes to the General Meeting to distribute as dividend per Company's share an amount of €0,23 and in total a gross amount of Euros seventy three million two hundred seventy six thousand four hundred ninety five and thirty four cents (€ 73.276.495,34). It is clarified that the amount €0,23 per share that will be given as dividend is over and above the amount of €0,17 per share (subject to 10% withholding tax where applicable, according to article 18 of Law 3697/2008) that has already been distributed to the Shareholders of the Company as interim dividend pursuant to the resolution of the Company's Board of Directors dated 24/8/2015. Therefore the Total Distributed Earnings amount to Euros one hundred twenty seven million four hundred thirty seven three hundred eighty three and twenty cents (€ 127.437.383,20) ie sum of the total gross of interim dividend paid plus total gross dividend to be paid.

Furthermore, the Board of Directors proposes to the Ordinary General Meeting of the Shareholders to set:

- a. 04.05.2016, as the cut-off date (namely the date from which the Company's shares are traded on the Athens Exchange without the right to receive the remaining dividend),



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- b. 05.05.2016, as the payment beneficiaries record date (namely the date on which beneficiaries of the remaining dividend shall be all the registered shareholders in the files of the Company's Dematerialized Securities System), and
- c. 11.05.2016, as the Payment Date (on which the remaining dividend payment shall commence).

Finally, the Board of Directors proposes to the Ordinary General Meeting of the Shareholders to nominate Piraeus Bank as the paying bank; it is also proposed that the necessary authorizations for the implementation of the process are provided to the Company's Board of Directors.

**Item 3<sup>rd</sup>: Discharge of the Members of the Board of Directors and the Statutory Auditors of the Company from any liability for compensation for the realized (management) for the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 to the 31<sup>st</sup> of December 2015), and approval of management and representation actions of the Board of Directors of the Company.**

**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented

The General Meeting will have to decide upon the discharge of the Board of Directors and of the Auditors that made the audit of the Annual Financial Statements from any liability for compensation regarding the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 until the 31<sup>st</sup> of December 2015). The Company's Board of Directors recommends to the Shareholders' General Meeting that both the members of the Board of Directors and the Auditors are discharged from any liability for compensation regarding the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 to the 31<sup>st</sup> of December 2015), as well as that any and all management and representation actions made by the Company's Board of Directors in accordance with the stipulations of article 22a, par. 2 and article 35 of Codified Law 2190/1920, as in force today are approved.

**Item 4<sup>th</sup>: Approval of compensation and remuneration to the Members of the Board of Directors for the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 to the 31<sup>st</sup> of December 2015) pursuant to Article 24 of Codified Law 2190/1920, as in force.**

**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented

The Company's Board of Directors proposes to the General Meeting of the Shareholders that the



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remuneration and compensation paid to the Members of the Company's Board of Directors during the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 until the 31<sup>st</sup> of December 2015) that amounts to a gross total of Euros three hundred twenty thousand four hundred (€320.400) is approved.

It is hereby noted that the 15<sup>th</sup> Ordinary General Meeting of the Company that was held on the 20<sup>th</sup> of April 2015 had pre-approved as remuneration and compensation for the Board of Directors for the sixteenth (16<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2015 until the 31<sup>st</sup> of December 2015) the total amount of Euros four hundred twenty thousand and four hundred (€ 420.400), out of which only the amount of Euros three hundred twenty thousand four hundred (€320.400) was paid out as remuneration or/and compensation to the Company's Board of Directors.

**Item 5<sup>th</sup>: Pre-approval of the compensation and remuneration of the Members of the Company's Board of Directors for the current seventeenth (17<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2016 to the 31<sup>st</sup> of December 2016) pursuant to Article 24 of Codified Law 2190/1920, as in force.**

**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented

The Company's Board of Directors recommends that the Shareholders General Meeting pre-approves as remuneration and compensation to the Members of the Company's Board of Directors for their services for the current seventeenth (17<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2016 to the 31<sup>st</sup> of December 2016) a total gross amount of up to Euros three hundred twenty thousand and four hundred (€320.400).

It is clarified that the above mentioned amount includes a monthly compensation for each member of the Board of Directors for their participation in the meetings of the Board of Directors amounting to €1.600,00 and that such monthly compensation has not been amended since 2013.

The Board of Directors proposes to the Shareholders General Meeting the approval of the above mentioned proposal.

**Item 6<sup>th</sup>: Selection of certified Auditors for the audit of the financial statements of the Company for the current seventeenth (17<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2016 to the 31<sup>st</sup> of December 2016) and the issuance of the annual tax report.**

**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented



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The Board of Directors, upon the recommendation of the Company's Audit Committee in accordance with the specific stipulations of Article 37, par. 3 of Law 3693/2008, as in force, recommends to the General Meeting of the Shareholders that the statutory audit of the Company's financial statements and of the consolidated financial statements for the seventeenth (17<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2016 to the 31<sup>st</sup> of December 2016) as well as the issuance of the annual tax certificate as provided for in article 82, par. 5 of Law 2238/1994, are carried out by the Certified Auditing Accounting Company "KPMG Chartered Accountants S.A." (SOEL Reg. no. 114).

The remuneration of the above auditing firm for the Statutory Audit for the current seventeenth (17<sup>th</sup>) fiscal year (from the 1<sup>st</sup> of January 2016 until the 31<sup>st</sup> of December 2016) and the issuance of the Annual Tax Certificate as provided for in par. 5 of article 82 of Law 2238/1994 shall be decided by the Board of Directors of the Company following a proposal from "KPMG Chartered Accountants S.A." according to article 18 of Law 2231/1994.

It is noted that for the fiscal year 2015 the fees that "KPMG Chartered Accountants S.A." received from the Company for non-auditing services (non-auditing fees) were less than the remuneration received by the same auditing firm for auditing fees and for the issuance of the annual tax certificate, according to the below specific mentioned:

Type of Fees	Total Amount in Euros	Percentage of Total Fees
<b>Auditing Fees</b>	268.613,55	69%
<b>Fees for non-audit services</b>	118.237,44	31%
<b>Total Sum</b>	<b>386.850,99</b>	

The Board of Directors recommends to the Shareholders General Meeting the approval of the above mentioned proposal.

**Item 7<sup>th</sup>: Provision of permission pursuant to article 23, paragraph 1 of Codified law 2190/1920, as in force, to the Board of Directors' Members and the officers of the Company's General Directorates and Divisions for their participation in the Boards of Directors or in the management of the Group's subsidiaries and affiliates, as defined in Article 42e, paragraph 5, of Codified law 2190/1920, as in force.**



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**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented

The Company's Board of Directors recommends to the Shareholders General Meeting, in accordance with the specific stipulations of article 23, par. 1 of Codified Law 2190/1920, as in force, that permission is granted to the Members of the Board of Directors of the Company and to the executives of the General Directorates and Company Directorates, to participate and render their services on the Boards of Directors or as executives of the Group's companies and associated companies, under the meaning of article 42e par. 5 of Codified Law 2190/1920, as in force.

### **Item 8<sup>th</sup>: Provision of specific permission for the conclusion of contracts pursuant to article 23a of Codified law 2190/1920, as in force.**

**Required quorum:** 34% of the share capital

**Majority:** 50% + 1 of the votes represented

provided that the negative votes do not exceed:

1/20 of the votes represented for the approval of already executed contracts

The Company's Board of Directors unanimously recommends to the Shareholders' General Meeting that permission is granted in accordance with the specific provisions of par. 4 of Article 23a of Codified Law 2190/1920, as in force so that the mentioned below under A. executed contracts of the Company with related parties and that the mentioned below under B. guarantees provided by the Company to third parties in favor of related parties, are approved by the General Meeting. The Board of Directors of the Company does not consider any of the counter parties of the mentioned below contracts to be in any kind of conflict with the Company's interests and clarifies that the said contracts of the Company are included herein even though not necessary for the sake of transparency and for providing information to the credit institutions that the Company transacts business with. It is noted that a transfer prices report in accordance with article 11 of Law 4110/2013 shall be filled with the competent authority by the end of April 2016.

#### **A. Executed Contracts with Related Parties**

##### **I. Trademark License Agreement between OPAP S.A. and Hellenic Lotteries S.A.**

Signature date:	17/12/2015
Scope:	License Agreement regarding the trademark "Black Jack in an instant"
Term:	2 years (from 25-02-2015 to 25-02-2017)
Fees in aggregate:	€2.400



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### II. Trademark License Agreement between OPAP S.A. and Hellenic Lotteries S.A.

Signature date:	17/12/2015
Scope:	License Agreement regarding the trademark "Ace and King"
Term:	2 years (from 03-10-2014 to 03-10-2016)
Fees in aggregate:	€2.400

### B. Corporate Guarantees Provided to Third Parties in Favor of Related Parties

#### I. Corporate Guarantee in favor of Hellenic Lotteries S.A.'s Bond Loan amounting to €50.000.000

Signature date:	05/02/2016
Term:	01/03/2016 – 01/03/2018
Related party in favour of which the guarantee was provided:	Hellenic Lotteries S.A.
Party to which guarantee was provided:	Alpha Bank
Amount of guarantee:	€33.500.000

#### II. Corporate Guarantee in favor of Horse Races S.A.'s Bond Loan amounting to €5.000.000

Signature date:	07/12/2015
Term:	07/12/2015 – 07/12/2020
Related party in favour of which the guarantee was provided:	Horse Races S.A.
Party to which guarantee was provided:	Eurobank
Amount of guarantee:	€5.000.000

#### III. Letter of Guarantee in favor of Hellenic Lotteries S.A.

Signature date:	22/12/2015
Term:	01/01/2016 – 31/12/2016
Related party in favour of which the	Hellenic Lotteries S.A.



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<b>guarantee was provided:</b>	
<b>Party to which guarantee was provided:</b>	Hellenic Republic / Ministry of Finance
<b>Party by which guarantee was issued:</b>	Piraeus Bank
<b>Amount of guarantee:</b>	€16.750.000

### IV. Letter of Guarantee in favor of Hellenic Lotteries S.A.

<b>Signature date:</b>	30/12/2015
<b>Term:</b>	01/01/2016 – 31/12/2016
<b>Related party in favour of which the guarantee was provided:</b>	Hellenic Lotteries S.A.
<b>Party to which guarantee was provided:</b>	Hellenic Republic / Ministry of Finance
<b>Party by which guarantee was issued:</b>	Alpha Bank
<b>Amount of guarantee:</b>	€16.750.000

### V. Letter of Guarantee with cash collateral in favor of Horse Races S.A.

<b>Signature date:</b>	21/12/2015
<b>Term:</b>	08/01/2016 – 09/01/2017
<b>Related party in favour of which the guarantee was provided:</b>	Horse Races S.A.
<b>Party to which guarantee was provided:</b>	GBI RACING LTD
<b>Party by which guarantee was issued:</b>	PPF BANKA
<b>Amount of guarantee:</b>	£100.000



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### VI. Letter of Guarantee in favor of Horse Races S.A.

<b>Signature date:</b>	08/01/2016
<b>Term:</b>	08/01/2016 – 09/01/2017
<b>Related party in favour of which the guarantee was provided:</b>	Horse Races S.A.
<b>Party to which guarantee was provided:</b>	Hellenic Republic Asset Development Fund
<b>Party by which guarantee was issued:</b>	Eurobank
<b>Amount of guarantee:</b>	€2.000.000

### VII. Letter of Guarantee in favor of Horse Races S.A.

<b>Signature date:</b>	08/01/2016
<b>Term:</b>	08/01/2016 – 09/01/2017
<b>Related party in favour of which the guarantee was provided:</b>	Horse Races S.A.
<b>Party to which guarantee was provided:</b>	ODIE
<b>Party by which guarantee was issued:</b>	Eurobank
<b>Amount of guarantee:</b>	€632.499

### VIII. Letter of Guarantee in favor of Horse Races S.A.

<b>Signature date:</b>	08/01/2016
<b>Term:</b>	19/01/2016 – 19/01/2021
<b>Related party in favour of which the guarantee was provided:</b>	Horse Races S.A.
<b>Party to which guarantee was provided:</b>	Ernst & Young



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<b>Party by which guarantee was issued:</b>	Eurobank
<b>Amount of guarantee:</b>	Up to €2.000.000

**Item 9<sup>th</sup>: Approval of a Long Term Incentive Scheme with Company's Own Shares to Executive Directors and other Key Management Personnel of the Company. Provision of relevant authorizations to the Company's Board of Directors.**

<b>Required quorum:</b> 34% of the share capital	<b>Majority:</b> 50% + 1 of the votes represented
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**With specific Regard to the approval according to article 23a of Law 2190/1920**

<b>Required quorum:</b> 34% of the share capital	<b>Majority:</b> 50% + 1 of the votes represented
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provided that the negative votes do not exceed 1/3 of the votes represented

Following a relevant recommendation by the Company's Remuneration Committee the Company's Board of Directors decided on the 25<sup>th</sup> of June 2015 a long term incentive scheme for key executives of the company according to the specific terms and conditions that were presented to the Company's Board of Directors (herein after the "Long Term Incentive Scheme").

The Long Term Incentive Scheme for the Company's Executive Directors and Key Management Personnel is expected to increase the Company's profitability and boost the Company's share value in the Athens Exchange. Therefore, the Board of Directors proposes to the Ordinary General Meeting of the Shareholders to approve the Long Term Incentive Scheme for executive directors and key management personnel of the Company according to paragraph 2 of article 2 of Presidential Decree 30 /21.01.88 in conjunction with paragraph 3 of article 16 of Law 2190/1920 and the relevant provision of Company's shares gratis to executive members of the Company's Board of Directors and to key managerial personnel and also in accordance with article 23a and paragraph 2 of article 24 of Law 2190/1920. The terms and conditions of the Scheme are:

- Term of the Appraisal Period for the Assessment of Targets: 3 years commencing on the first of January 2014 until the 31<sup>st</sup> of December 2016
- Payment Date: shall be decided by the Company's Board of Directors following the publication of audited Financial Statements of 2016 that is expected around March/April 2017
- Targets relate to a) the profitability of the Company from the year 2014 to the year 2016 and b) the price of the Company's share in the Athens Exchange until the year 2016 with reference date 31.12.2013.
  - If both targets are fulfilled, a 100 % of target bonus shall be achieved
  - If one of the targets is fulfilled, a 50% of target bonus shall be achieved



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- If none of the targets is fulfilled, a 0% of target bonus shall be achieved
- Eligible persons: The final list of eligible Directors and Key Management Personnel will be approved by the Remuneration Committee and the Company's Board of Directors based on the proposal of the CEO of the Company within the scope of the Long Incentive Term Scheme.
- Number of Company's Shares to be given as Bonus: Up to 406.542 shares
- Estimated Total Pool: up to 5.000.000 Euro
- Target bonus amount:
  - For the category of CEO and CEO-1 executives it will amount to 50% of the basic salary
  - For the category of CEO-2 executives it will amount to 25% of the basic salary

The Company's Board of Directors proposes to the Ordinary General Meeting of the Company's Shareholders to approve of the Long Term Incentive Scheme with Company's own shares to executive directors and other Key Management Personnel of the Company according to the terms and conditions mentioned above.

Furthermore the Company's Board of Directors proposes to the Ordinary General Meeting of the Shareholders to authorize the Company's Board of Directors to specify further the terms and conditions of the Long Term Incentive Scheme at its own discretion, as well as to do and perform any relative action(s) and make any relevant decision(s) regarding the Long Term Incentive Scheme within the boundaries of the applicable legislation and within the scope of the abovementioned terms and conditions and always following the relevant recommendations of the Remuneration Committee.

**END OF EXPLANATORY REPORT – RECOMMENDATIONS OF THE BOARD OF DIRECTORS**

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