

Remuneration policy and senior managers' compensation

We aim to provide total compensation for our employees that is fair and sufficient to attract and retain people with the right talent and skills necessary to grow the business in order to maximise shareholder value. We also need to motivate employees to achieve business targets and reward them accordingly.

To achieve our operating objectives, we must attract, retain and motivate high calibre executives for whom we recognise there is an international market.

The Human Resources Committee aims to provide total compensation that is competitive by reference to other multinational companies similar to us in terms of size, geographic spread and complexity.

In line with our commitment to maximise shareholder value, our policy is to link a significant proportion of remuneration for our senior managers to the performance of the business through short and long-term incentives and stock option plans.

Equity-related compensation of senior managers aligns the financial interests of senior management with those of our shareholders. Our emphasis is on linking payment with performance by rewarding effective management of business performance with a long-term focus, as well as individual achievement.

Salary

The level of salary reflects a senior manager's experience, responsibility and market value as determined by, among other factors, a comparison with similar multinational companies.

Management Incentive Plan

We operate a management incentive plan for all our managers. This plan is based on annual business performance against volume, EBITDA and economic profit*, as well as individual accomplishments against annual objectives. Individual objectives set by senior management are stretched but achievable. The target award as a percentage of annual base salary increases with the level of responsibility. Exceptional business unit performance may result in awards in excess of the individual target awards.

Long-Term Incentive Plan

All middle and senior management, excluding our executive team, participate in the Coca-Cola Hellenic Long-Term Incentive Plan. We adopted this cash-based plan in 2003 as a replacement of stock options for middle-ranking employees. Incentive payouts are based on performance against three-year objectives, set every year. We use economic profit as a performance criterion in the plan. The target payout from the plan is determined for each individual based on the level of responsibility, performance and potential. Exceptional business performance may result in awards in excess of the individual target payout. We believe that this plan has a greater motivational impact on the participating employees because rewards are more directly linked to the performance of the individual employee's specific business unit than under the stock option plan.

Stock Option Plan

Senior managers of our Company are eligible to participate in the Coca-Cola Hellenic Stock Option Plan. Options are viewed as an integral part of the total remuneration package for senior managers. Options are granted at an exercise price equal to the price of the Company's shares at close of trading on the Athens Stock Exchange on the day of grant. Options vest in one-third increments each year for three years and can be exercised for up to ten years from the date of grant.

The numbers of options awarded are approved by the Board of Directors upon the recommendation of the Human Resources Committee after reviewing the advice of management and are based on a view of competitive market conditions for employee remuneration and employee performance. The Stock Option Award for the Managing Director is approved by the Board of Directors based on the recommendation of the Human Resources Committee.

We view stock options as a long-term component of the total remuneration package of our senior managers, whose roles have an impact on the results of the business as a whole. We intend to continue issuing stock options to these employees taking into account, among other factors, our business prospects and financial condition, as well as individual employee performance and the competitive market conditions of employee remuneration. Under Greek law, the terms of any options granted must be approved by our shareholders at a General Meeting.

At the Annual General Meeting in June 2005, shareholders adopted a multi-year plan to grant stock options to senior managers subject to approval of the Board of Directors. Under this authorisation, the Board of Directors approved stock option grants during 2008.

Pension and other benefits

Senior managers either participate in their home country pension programme or in the Coca-Cola Hellenic International Retirement Savings Plan, as appropriate.

*For the purposes of the plan, we define economic profit as adjusted operating profit minus cost of capital. Adjusted operating profit is calculated as operating profit plus amortisation of intangible assets, as applicable, less income tax expense and the tax benefit on the interest expense.



Coca-Cola Hellenic ranked second in the 2008 list of "Best Workplaces in Italy" based on a study by the Great Place to Work Institute.