



Internal Regulation of Operation- Terms of Reference for the Audit Committee

APPENDIX II

1. Membership

1.1. The Audit Committee (henceforth the “Committee”) may be:

- a Board of Directors’ committee, comprised of its non-executive directors and appointed by the Board of Directors itself; or
- an independent committee, comprised of non-executive directors and other third parties and appointed by the General Meeting of the Shareholders; or
- an independent committee, comprised of third parties only and appointed by the General Meeting of the Shareholders.

The General Meeting decides upon the nature of the Committee, the term, number and capacities of its members and always consists of at least three (3) members. The majority of the Committee’s members must be independent by virtue of the provision of paragraph 1 (d) of article 44 of Law 4449/2017.

1.2. The Chairman of the Committee shall be appointed by its members and must be independent.

1.3. The Committee as a whole shall have competence relevant to the sector in which the Company operates.

1.4. At least one member, who is independent from the Company, shall be a certified auditor, either suspended or retired, or have competence and experience in accounting and auditing and must be present in the Committee’s meetings when it convenes regarding the approval of the financial statements.

2. Attendance at Meetings

2.1. The Committee convenes at the registered seat of the Company.

2.2. The Chief Financial Officer, the Head of Internal Audit and the representatives of the external auditors shall normally attend meetings. However, at least twice a year the Committee shall meet with the external auditors without any members of the Management being present.

2.3. A member of the Committee may participate by teleconference or video conference. In this case the member is deemed to be present in person and shall be counted in the quorum.

3. Secretary

The Head of Internal Audit or the Corporate Secretary shall be the Secretary of the Committee and shall keep minutes of the respective meetings.

4. Quorum

The quorum necessary for the transaction of business shall be two (2) members, one of which must be the Chairman, who is an independent non-executive member of the Board of Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

Meetings shall be held at least four (4) times a year. The internal or external auditors may request an ad hoc meeting, if this is deemed necessary.

6. Minutes of Meetings

6.1. The Secretary shall keep a record of the actions and resolutions of all Committee meetings, including the names of those present and in attendance. Discussions and resolutions of the Committee are recorded in minutes and signed by all present members, according to article 93 of Law 4548/2018.

6.2. Minutes of Committee meetings shall be circulated to all members of the Committee and to the Chairman of the Board and made available to other members of the Board upon request.

7. Duties

The duties of the Committee include the following:

7.1. Financial Reporting and Statutory Audit – The Committee is required to:

7.1.1. Inform the Board about the statutory audit results and explain the statutory audit's contribution to the integrity of the provision of financial information, as well as the Committee's role in the relevant procedure.

7.1.2. Monitor the financial reporting process, be informed by Management on the progress, the procedure and timeline of the financial statements' preparation, and submit recommendations or proposals in connection with the assurance of its integrity.

7.1.3. Monitor the effectiveness of the internal audit, quality control and risk management systems, as well as the department of internal audit, regarding the financial reporting of the Company, without breaching the latter's independence.

7.1.4. Discuss with the statutory auditors (before the audit commences) the nature, scope and plan of the audit, and provide recommendations, if necessary.

7.1.5. Monitor the statutory audit of the annual and consolidated financial statements, taking into account any findings or conclusions by the Hellenic Accounting and Auditing Standards Oversight Board (henceforth “ELTE”), and be updated by Management and the statutory auditor during the preparation and the audit of the financial statements.

7.1.6. Discuss issues and reservations arising from the interim and final audits, and any matters the statutory auditor may wish to discuss (in the absence of Management, where necessary).

7.1.7. Oversee the statutory auditor’s compliance with the reporting requirements specified in Articles 10 and 11 of Regulation (EU) 537/2014.

7.1.8. Review the annual financial statements, before their submission to the Board, focusing particularly on:

- any changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from the audit;
- the going concern assumption;
- compliance with accounting standards;
- compliance with the capital markets legal framework and the applicable legislation.

7.1.9. Submits reports to the Board of Directors with regard to the areas of its responsibility and in particular the fields where, upon its review, it considers that there are material issues related to the financial reporting and the management’s reaction to tackle those issues.

7.2. Appointment of the Audit Firm – The Committee is required to:

7.2.1. Assume responsibility for the statutory auditor’s selection procedure. The Committee shall submit a recommendation to the Board for the appointment of an audit firm, including at least two choices, with a reasoned preference for one. The Committee shall state that its recommendation is free from influence by a third party.

7.2.2. Ensure that transparent and non-discriminatory selection criteria have been determined for the invitation of auditing firms to the tendering process.

7.2.3. Be able to demonstrate to ELTE, upon request, that the selection procedure was conducted in a fair manner.

7.2.4. Validate Management’s report on the conclusions of the selection procedure, taking into account findings or conclusions of any inspection reports published by ELTE.

7.3. Independence of the Audit Firm – The Committee is required to:

7.3.1. Review and monitor the independence of the statutory audit firm and the appropriateness of the provision of permissible non-audit services.

7.3.2. Develop an appropriate policy regarding the provision of permissible non-audit services, including a monitoring mechanism concerning the fee cap for non-audit services (i.e. 70% of the previous 3 consecutive financial years' audit fees).

7.3.3. Formally pre-approve all permissible non-audit services, after having properly assessed the threats to independence and the safeguards applied.

7.3.4. Hold discussions with the audit firm concerning threats to its independence and applicable safeguards, if the total fees received from the Company represent more than fifteen (15) percent of the total audit firm's fees.

7.3.5. Monitor the compliance with the requirements regarding the cooling-off period prior to the employment of former statutory auditors as part of the Company's management or governance bodies.

7.4. Internal Audit and Internal Control – The Committee is required to:

7.4.1. Assess the staffing, structure and independence of the Internal Audit Unit and, if necessary, provide recommendations to the Board of Directors. The Internal Audit Unit is under the authority of the Committee and submits regular reports regarding its activities.

7.4.2. Review the annual internal audit plan, receive summaries of internal audit reports and Management's response, and ensure co-ordination between the internal and external (i.e. statutory) auditors.

7.4.3. Meet regularly with the Head of Internal Audit, who is functionally subordinated to it and is appointed by the Board of Directors after Committee's proposal and discuss any challenges faced in the course of internal audits. The Head of the Internal Audit submits to the Committee the annual audit plan and the requirements of the necessary resources, as well as the implications of the resource limitation or the audit work of the unit in general.

7.4.4. Review the effectiveness of the Company's corporate governance and internal control systems, and in particular review the external auditor's management letter and Management's response.

7.4.5. Be informed about any conflicts of interest by the Internal Audit Unit.

7.4.6. Identify the organizational units and Subsidiaries that will be included in the assessment of the Company's Internal Audit System.

7.4.7. Give assignment order for the project of the assessment of the Company's Internal Audit System to an independent evaluator while together with the Board of Directors receives the relevant report of the assessment results. At the same time, during the assessment, the process of monitoring by the Commission the effectiveness of the Internal Audit System is evaluated.

7.4.8. Propose the Internal Audit Charter for approval to the Board of Directors.

7.4.9. Monitor and approve the internal audit schedule which is developed by the Internal Audit Unit.

7.4.10. Monitor the Anti-Corruption program and practices of the Company along with the Company's management and the Internal Audit Unit.

7.4.11. Receive at least every three (3) months reports from the Internal Audit Unit with its proposals within the framework of its duties, which the Committee presents and submits together with its observations to the Board of Directors.

7.4.12. Receive quarterly reports of the Internal Audit Unit to the audited units with findings regarding the risks arising from them, suggestions for improvement as well as opinions from the audited units, agreed actions, if any, or acceptance of the risk of non-action by them, the limitations in the scope of its audit, if any, the final proposals of internal audit and the results of the response of the audited units of the Company.

7.5. Other – The Committee is required to:

7.5.1. Review the Company's IRO to ensure its compliance with the relevant law requirements and submit it for approval to the Board.

7.5.2. Ensure compliance with corporate governance requirements regarding Board composition.

7.5.3. Adopt and revises the present IRO which should remain available on the Company's website.

7.5.4. Submit an annual report of actions to the annual General Meeting of the Company's shareholders, describing its actions and all matters discussed, including the description of the sustainable development policy of the Company.

7.5.5. Consider other relevant topics, as appropriate.

7.5.6. Approve the annual action plan of Compliance and monitor its implementation.

8. Authority

8.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

8.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience, if it considers this necessary.

8.3 The Company ensures that the Committee has unhindered and full access to the information it needs for the exercise of its responsibilities and has the resources necessary to carry out its work.

9. Terms available

The Committee shall make available these terms on the Company's website, thereby explaining its role and the authority delegated to it by the Board.