	AUDIT COMMITTEE OPERATING REGULATION	2 nd Revision
	REVIEW: Internal Audit	Effective Date: September 2017
		Date of 1 st edition: March 2011

AUDIT COMMITTEE OPERATING REGULATION

SEPTEMBER 2017



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1. Establishment

The Audit Committee was initially established under Article 37 of Law 3693/2008, in accordance with the specific terms and provisions of the aforesaid law, upon decision of the Annual Ordinary Shareholders' General Meeting dated 5 May 2009. The provisions of Law 4449/2017 made necessary the re-establishment of Audit Committee, which was carried out in accordance with a relevant decision of the Ordinary Shareholders' General Meeting dated 15 June 2017.

2. Composition

The Audit Committee is composed of at least three (3) members and is either an independent committee, or a committee of the Company's Board of Directors.

The Committee is composed by a majority of independent members, within the meaning of Article 4 of Law 3016/2002. All Audit Committee members shall have sufficient knowledge of the sector in which the Company is operating. At least one member of the Committee must be a certified auditor accountant under voluntary suspension from practice or retired, or have sufficient knowledge in accounting and auditing. The Audit Committee members are elected by the Company's Shareholders' General Meeting.

Participation in the Audit Committee does not exclude participation in other Board committees.

3. Purpose

The purpose of the Audit Committee is to assist the Company's Board of Directors in its duties with regard to financial information, internal audit and monitoring of the ordinary audit. More specifically:

- It is the communication channel between the Board of Directors, the Internal Auditor, the certified auditors accountants and the officers of the Company with regard to accounting and financial statements, administrative information reports, corporate governance, risk management and the internal audit system.
- It assists the Board of Directors in the fulfilment of its duties with regard to the proper implementation of the accounting principles and of the reporting systems in the Company and its subsidiaries as well as the efficiency of the internal audit system.
- It is the main body ensuring the quality of the Internal and the Financial Audits, the integrity of the management, and the efficiency and transparency of the financial and operating information. However, this does not exclude the right of the Internal Auditor or the certified auditor accountant to contact the Board of Directors directly whenever necessary.

4. Duties and Competencies

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The main competencies of the Audit Committee can be analyzed as follows:

4.1. External Audit

- The Audit Committee monitors the process and performance of the statutory audit of individual and consolidated financial statements of the Company. In this context, it informs the Board of Directors of matters that arose during the performance of the statutory audit, providing detailed explanations on:
 1. The contribution of the statutory audit to the quality and integrity of financial reporting, i.e. the precision, completeness and correctness of the financial reporting, including relevant disclosures, which the Board approves and which is published.
 2. The role of the Audit Committee in the aforementioned process, i.e. recording the actions performed by the Audit Committee during the statutory audit.


In the context of the aforementioned briefing of the Board of Directors, the Audit Committee shall take into account the content of the additional report submitted to it by the certified auditor accountant, which contains the results of the statutory audit carried out and meets at least the specific requirements set out in Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

- It reviews and monitors the independence of certified auditors accountants or audit firms in accordance with Articles 21, 22, 23, 26 and 27, as well as with Article 6 of Regulation (EU) No 537/2014, and in particular the appropriateness of the provision of non-audit services to the Company in accordance with Article 5 of Regulation (EU) No 537/2014.
- It is responsible for the procedure for the selection of certified auditors accountants or audit firm(s) and recommends the certified auditors accountants or the audit firm(s) to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014 except when Article 16(8) of Regulation (EU) No 537/2014 is applied.

4.2 Financial Reporting Process

- It monitors, reviews and evaluates the procedure for the preparation of financial information, i.e. the mechanisms and production systems, the flow of the financial information produced by the Company's organisational units involved. The above actions of the Audit Committee also include any other information published in any way relating to financial information (i.e. announcements published in Athex Exchange Group, press releases). In this context, the Audit Committee informs the Board of Directors about its findings and submits proposals for the improvement of the procedure, if it is deemed necessary.

4.3 Internal Control and Risk Management System Procedures and Internal Audit Unit

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- It monitors, reviews and evaluates the adequacy and effectiveness of all Company's policies, procedures and controls regarding the internal control system, thus the risk assessment and management, in relation to financial information.
- In relation to the function of the internal audit, the Audit Committee monitors and reviews the proper functioning of the internal audit unit according to professional standards, as well as the current legal and regulatory framework, and evaluates its work, adequacy and effectiveness, without however affecting its independence.
- It reviews published information as regards the internal control and the main risks and uncertainties of the Company, in relation to financial information. In this context, the Audit Committee informs the Board of Directors of its findings and submits proposals for improvement, if it is deemed necessary.
- It examines conflicts of interests arising in the course of the Company's transactions with related entities and submits the relevant reports to the Board of Directors.
- It provides support to the Board of Directors, to the extent required by the Company policy, with respect to ensuring sufficient information on the transactions between related parties.
- It examines, in collaboration with the Legal Counsel of the Company, at least once a year, the pending legal issues that may affect the financial situation of the Company.
- It approves the objectives of the audit and the time schedule of the annual audit plan.
- It oversees the internal audit reports prepared by the Internal Auditor and supervises the implementation of the Internal Auditor's recommendations adopted by the Management as stated in the relevant reports.
- It evaluates the Head of the internal audit unit.

5. Meetings

A Committee meeting is in quorum and may validly convene on the items of the agenda when at least half of its member are present. The decisions of the Committee are taken by majority vote after the exchange of opinions.

The Audit Committee convenes as often as it is deemed necessary for the efficient execution of its duties. However, at least two (2) times a year, i.e. before the release of the semester and annual financial results, the committee meets with the Company's certified auditors accountants without the presence of the Management.

The Head of internal audit unit, whose attendance in the Committee meetings is mandatory, shall act as Secretary and shall keep the minutes of the meetings.

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The Committee may invite at its meetings any member of the Board of Directors, officer of the Company or the Group, or any person the Committee considers likely to assist its work. Furthermore, the Committee may use the services of external consultants, if deemed necessary.

The Committee may convene by video or telephone conference.

6. Term of Office

The members of the Audit Committee remain in office until revoked by the Shareholders' General Meeting.

7. Evaluation

At least every four (4) years –or sooner in case of a substantial reason- the Audit Committee carries out an evaluation of its performance and of its Operating Regulations. It then submits proposals to the Board of Directors aiming for the improvement of the provided services.