



<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
	Date of 1st edition: March 2011

# **AUDIT COMMITTEE CHARTER**

**JULY 2021**

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
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### Table of updates

Version	Reasoning	Effective Date
1	First edition	March 2011
1st	Revision following additional responsibilities	August 2015
2nd	Revision following application of the provisions of Law 4449/2017	September 2017
3rd	Revision following additions and changes in matters of organization and operation of the Committee	September 2018
4th	Revision following changes in the nature of the Committee and following application of Law 4548/2018	November 2019
5th	Revision following changes in the number and titles of the Committee members and in the calculation of quorum and decision-making process	June 2020
6th	Revision following application of the provisions of Law 4706/2020.	September 2020
7th	Revision following application of the provisions of Law 4706/2020, and following changes and additions in terms of the responsibilities, organization and functioning of the Committee.	July 2021



<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
	Date of 1st edition: March 2011

## **CONTENTS**

### **AUDIT COMMITTEE CHARTER**

CONTENTS .....	3
1. Establishment.....	4
2. Composition .....	4
3. Purpose .....	5
4. Functions and Responsibilities .....	5
4.1 External Audit.....	5
4.2 Financial Reporting Procedure .....	6
4.3 Internal Control & Corporate Governance Systems.....	6
4.3.1 Systems Supervision .....	6
4.3.2 Risk Management .....	7
4.3.3 Internal Control .....	7
4.3.4 Compliance.....	8
4.3.5 Other matters.....	8
4.4 Investor Information .....	8
5. Functioning of the Committee.....	9
6. Term of Office .....	10
7. Evaluation .....	10

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

## 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 General Meeting of Shareholders, dated 5<sup>th</sup> of May, 2009. The implementation of the provisions of Law 4449/2017, made necessary the re-establishment of the Audit Committee, which was carried out in accordance with a relevant decision of the Annual General Meeting of Shareholders, dated 15<sup>th</sup> of June, 2017. Upon enactment of the provisions of Law 4706/2020, arose the need for the re-establishment of the Audit Committee and the adjustment of its Charter.

## 2. Composition

In its current form, the Audit Committee is an independent committee within the meaning of article 44, par. 1(a), case (ab) of Law 4449/2017, as replaced by article 74, par. 4 of Law 4706/2020. It consists of non-executive members of the Board of Directors and of third parties, elected according to the resolution of the Extraordinary General Meeting of Shareholders dated 22.12.2020, in application of article 44, par. 1(b) and 1(c). More specifically, the Committee consists of four (4) members, three (3) of which are members of the Board of Directors and the other one (1) not a member of the Company's Board of Directors but a third party outside the Company.

The members of the Audit Committee are in their majority independent from the Company, within the meaning of article 9 of Law 4706/2020.

With respect to the above-mentioned members of the Company's Board of Directors, two (2) are independent, non-executive members of the Board of Directors, while the third is a non-executive member of the Board of Directors. The fourth member of the Audit Committee has no professional, structural, business, shareholding or other relationship with the Company and is fully independent from the latter, i.e. is a Third Party outside the Company, and meets the criteria of independence, under article 9 of Law 4706/2020.

Pursuant to article 44 of Law 4449/2017, article 44, par 1(e), as in force, the Chair is appointed by the Committee members and is independent from the Company. The appointment of the Audit Committee Chair takes place during the meeting charged with establishing the Audit Committee as a body.

All Audit Committee members have sufficient knowledge of the sector in which the Company is operating. At least one member of the Committee, which must be independent from the Company, must have sufficient knowledge and experience in auditing or/ accounting and must be always present at the meetings of the Committee concerning the approval of the financial statements.

In case of resignation, death, or loss of office of an Audit Committee member, the Board of Directors, authorized by the General Meeting, appoints one of its existing members to fill in the vacancy for the remaining term of office of the exiting member, subject, where appropriate, to article 82, par. 1 and 2 of Law 4548/2018 (A' 104), applied accordingly. If the arising vacancy concerns the independent third-party, non-member of the Board of Directors position, the Board of Directors shall appoint an independent third-party, non-member of the Board of Directors, as a temporary substitute and the next General Meeting of Shareholders shall either appoint the

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

aforementioned substitute or elect another member to fill in the vacancy for the exiting member's remaining term of office in the Audit Committee.

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 reporting, Internal Control System (ICS), and Corporate Governance System (CGS), statutory audit, and information and IT systems security. More specifically:

- i. It serves as a communication channel between the Board of Directors, the Internal Audit Service, the certified auditors accountants and the Senior Officers of the Company, regarding the Committee's assigned duties.
- ii. It assists the Board of Directors in the fulfilment of its duties with regard to a) the proper implementation of the accounting principles and the financial reporting procedures of the Company; and b) the assurance of the efficiency of the Internal Control System, namely the entire set of internal control mechanisms and procedures, including risk management, internal audit and compliance, as well as the Corporate Governance System, i.e. according to articles 1-24 of Law 4706/2020; c) statutory audit supervision; d) Company's information and IT systems' security supervision; and e) information of investors about the sustainable development policy of the Company.

### 4. Functions and Responsibilities

The main functions and responsibilities of the Audit Committee include, but are not limited to, the following:

#### 4.1 External Audit

1. The Audit Committee monitors the process and performance of the statutory audit of the company and consolidated financial statements of the Company. In this context, the Committee discloses to the Board of Directors any matters that arose during the performance of the statutory audit, providing detailed explanations on:
  - i. The contribution of the statutory audit towards the quality and integrity of financial reporting, i.e. the accuracy, completeness and correctness of the financial reporting, including the relevant disclosures, which are published subject to the prior approval of the Board of Directors.
  - ii. The role of the Audit Committee in the aforementioned process, i.e. the recording of actions performed by the Audit Committee during the statutory audit.

In the context of the aforementioned disclosures to 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 which must meet at least the specific requirements under Article 11 of Regulation (EU) No.

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

537/2014 of the European Parliament and of the Council of 16 April, 2014.

2. It oversees 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 non-audit services provided to the Company, in accordance with Article 5 of Regulation (EU) No 537/2014.
3. It is responsible for the selection of certified auditors accountants or audit firms and the determination of their remuneration, and nominates the certified auditors accountants or the audit firms to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, except in cases where Article 16 par.8 of Regulation (EU) No 537/2014 applies.

#### **4.2 Financial Reporting Procedure**

1. It monitors, reviews and evaluates the financial reporting preparation process, i.e. the production systems and mechanisms, and the flow and diffusion of the financial information produced by the Company's organisational units involved. The above responsibilities of the Audit Committee also include any other information published in any manner (i.e. announcements published in Athex Exchange Group, press releases), regarding financial information. 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.
2. The responsibilities of the Committee also include assessment of the material issues and risks likely to impact the financial statements, and review of the Management's critical accounting estimates and judgements in the preparation of the financial statements.

#### **4.3 Internal Control & Corporate Governance Systems**

##### **4.3.1 Systems Supervision**

The Committee supports the Board of Directors in the assurance of the effectiveness and efficiency of the Company's Internal Control and Corporate Governance Systems. More specifically:

1. It monitors the efficiency of the Internal Control System (ICS), principally through the work of the Internal Audit Service, certified auditor accountant and external evaluator and submits its proposals together with the Internal Audit Service's proposals, to the Company's Board of Directors.
2. It supervises the implementation of the Corporate Governance System (CGS) adopted by the Board of Directors, and periodically evaluates its efficiency, mainly through the Internal Audit Service's and the external evaluator's work, informs the Board of Directors of its findings and submits its proposals, together with those of the Internal Audit Service, to the Board of Directors, seeking to remedy any deficiencies.
3. It reviews and evaluates the policies and procedures regarding the periodic evaluation of the CGS, especially in terms of adequacy and efficiency of financial reporting both on a company and on a consolidated basis, and in terms of risk management and

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

compliance, always according to recognized evaluation and professional Internal Audit Standards. It also reviews and evaluates the implementation of the provisions of law 4706/2020 on corporate governance using external evaluators, and submits its findings to the Company's Board of Directors.

4. The Committee has an active role in the periodic evaluation of the CGS and the ICS by external evaluators as it a) selects the nominees to perform the evaluation; b) proposes, selects and approves the assignment of the evaluation; c) monitors and supervises the aforesaid evaluation, as to the proper adherence to the agreements; and d) receives the Evaluation Report, which includes a report of all evaluation findings and the respective analyses thereof, and a summary of the evaluator's comments and the respective analysis thereof. The Committee informs the Board of Directors of all of the above.
5. It oversees the implementation of the response actions to the findings of the CGS and ICS evaluation carried out by external evaluators or by the Internal Audit Service, and informs accordingly the Board of Directors.
6. It reviews any published non-financial information.

#### **4.3.2 Risk Management**

1. The Committee oversees the management of the principal risks and uncertainties of the Company and their periodic review. In this context, the Committee evaluates the methods employed by the Company for identifying, monitoring and addressing principal risks through the CGS and the Internal Audit Service, and for the proper reporting thereof in the published financial information, and briefs the Board of Directors about its findings.
2. It supervises and oversees the operation and work of the Risk Management Unit.

#### **4.3.3 Internal Audit**

1. The Committee supervises and oversees the proper functioning of the Internal Audit Service according to professional standards and in compliance with the current legal and regulatory framework, and evaluates its work, adequacy and efficiency, without however affecting its independence. More specifically:
  1. The Committee contributes to assure the independence, objectivity and integrity of the Internal Audit Service, proposing to the Board of Directors the appointment or removal of the Chief Internal Auditor, and the Internal Audit Charter.
  2. It evaluates the suitability criteria of the Chief Internal Auditor (CIA) ensuring that the CIA: a) is full time and exclusive, independent and objective at a personal and functional level in the discharge of duties, with sufficient expertise and relevant professional experience; b) reports administratively to the CEO and functionally to the Audit Committee; c) is not: a member of the Board or a voting member in standing committees of the Company or a person having close links with any person having at least one of the above-mentioned attributes in the Company or in a Group company. Moreover, the Committee evaluates the output of the Chief Internal Auditor.
  3. The Committee evaluates and approves the subject matter of the audit and the annual audit plan prior to its implementation, taking into account the main business and financial risks, and the results of previous audits. More specifically, it verifies

that the annual audit plan of the Internal Audit Service (in conjunction with any medium-term corresponding plans), covers the most important scopes of audit and the systems relating to financial reporting.

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

4. It evaluates the needs for necessary resources, and the consequences of resource restrictions or the limitation of audit work in general, based on the Company's audit plan and risk assessment, and submits its proposals to the Company's Board of Directors.
5. It receives and reviews, at least on a quarterly basis, reports from the Internal Audit Service, outlining the most important matters and the proposals of the Internal Audit Service with regard to the Service's main functions, and the reports to the audited units. The Audit Committee presents and submits said reports to the Board of Directors, along with its comments.
6. It oversees the implementation of the agreed risk mitigation actions, as reflected in the relevant audit reports of the Internal Audit Service.

2. It reviews published information with regard to the Company's internal audit and principal risks and uncertainties in comparison with financial reporting. In this context, the Audit Committee informs the Board of Directors about its findings and submits proposals for improvement, if deemed necessary.

#### **4.3.4 Compliance**

1. It approves the annual action plan of the Compliance Unit and oversees its implementation.
2. Monitors and reviews the operation and work of the Compliance Unit.

#### **4.3.5 Other matters**

1. The Committee supervises the preparation and updating of the Conflict of Interest Policy and relevant procedures of the Company. It also examines conflicts of interest arising in the Group, it approves conflict of interest response plans, and, where necessary, submits the relevant reports to the Board of Directors.
2. The Committee reviews and approves the Non-audit Works Assignment Policy.
3. It supervises the implementation of the Group's Information and IT Systems Security Policy.
4. It provides support to the Board of Directors in acquiring sufficient information on decision-making regarding transactions between related parties, according to the approved procedure.
5. It examines, in cooperation with the Legal Counsel of the Company, at least once a year and/or earlier if necessary, the pending legal cases that may affect the financial situation of the Company.
6. It prepares and updates this Charter and submits it to the Company's Board of Directors for approval, following which, the Charter is published on the Company's website.

#### **4.4 Investor Information**

1. The Committee submits an Annual Activity Report in the Annual Financial Report of the Company and to the Ordinary General Meeting of the Company's Shareholders. This report

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

details the Committee's actions and the issues addressed by it in the previous year.

2. Through the Activity Report, the Committee informs investors of the Sustainable Development Policy of the Company.
3. The Chair of the Committee attends the Annual General Meeting of the Company in order to answer any questions of investors regarding the Committee's activities.

## 5. Functioning of the Committee

A quorum is present and the Committee may validly deliberate on the agenda when the meeting is attended by at least 3/4 of its members. Decisions of the Committee are taken by majority vote after deliberations and in a case of a tie the Chair shall have a casting vote. In the Chair's absence, the Committee is chaired by the most senior Independent Non-Executive Member present.

The Audit Committee convenes as often as necessary for the efficient execution of its duties.

The Committee deliberates on the following matters:

- Establishment of the Committee as a body and appointment of the Chair;
- Preparation of the Audit Committee's annual action plan;
- Approval of the Internal Audit Service's annual audit plan;
- Meetings with senior officers for the preparation of the financial statements;
- Meetings with certified auditors accountants during the stages of audit planning and audit implementation, and during the preparation of audit reports and the presentation of the additional report;
- Review and assessment of the Chief Internal Auditor's quarterly reports and of the Audit Committee's proposals on said reports, and preparation of the relevant report to the Board of Directors;
- Filing of report to the Board of Directors for the preparation and review of the annual and semi-annual Financial Statements and the certified auditor accountant's comments on said Statements prior to their approval by the Board of Directors;
- Preparation and approval of the Audit Committee's Annual Activity Report.

The Audit Committee convenes at the Company's headquarters or anywhere else provided by the Company's Articles of Association according to article 90 of Law 4548/2018. The Committee may also convene by video or telephone conference.

The Audit Committee is convened by its Chair or the Chair's alternate, by means of a two (2) day's notice of meeting given to the Committee's members, or a five (5) days' notice, if the meeting convenes outside the Company's registered office. The Committee may be convened by any member thereof that considers it necessary, by request to the Chair or the Chair's alternate, who shall convene the meeting in due time, in order for the meeting to be held within seven (7) days from the relevant request at the latest. If the Chair fails to convene the meeting

within the above deadline, the meeting will be convened by the member that requested the meeting, within five (5) days from the expiry of the above seven-days' deadline, by giving the relevant notice of meeting to the other members. It is noted that if a member cannot attend the meeting in person, it cannot attend by proxy, whether through another member of the

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

Committee or a third party.

The notice must clearly mention the agenda of the meeting. The agenda is set by the Chair of the Committee. No new items may be included in the agenda after the notice of meeting is sent, without the consent of all the Committee's members. Supporting documentation, if applicable, is sent together with the notice of meeting or at a later stage, and in any case in due time for the meeting.

The deliberations and decisions of the Committee are entered into minutes, kept and signed by the members present at the meeting, according to article 93 of Law 4548/2018. Any member of the Committee may request the entry of that member's opinion in the meeting's minutes.

The preparation and signing of a meeting's minutes by all the members of the Committee is equivalent to a Committee decision, even without a prior meeting taking place. In such an event, article 94 of Law 4548/2018 providing for the "Signing of Minutes without Prior Meeting" shall apply in a proportionate manner. The Audit Committee is supported by a Secretary, who is the Chief Internal Auditor and attends the Committee's meetings. All members of the Committee have access to the services of the Committee's Secretary. Under the Chair's supervision, the responsibilities of the Audit Committee's Secretary include:

- Planning of meetings, including preparation and sending of the notice of meeting and any supporting material thereof;
- Keeping of the Committee minutes.

The Committee may invite at its meetings any member of the Board of Directors, officer of the Company or the Group, or any other person the Committee considers likely to assist its work.

The Audit Committee may request and receive documentation from the competent officers of the Company. The Committee may also use any resources it deems necessary to achieve its goals, including, but not limited to, the Internal Audit Service, Compliance and Legal Services units, as well as external consultants' services. It is noted that any assignment to external consultants does not entail any assignment of powers and responsibilities nor any disclaimer of responsibility on behalf of the Audit Committee.

## **6. Term of Office**

By resolution of the General Meeting of the Company's Shareholders dated 22.12.2020, the Audit Committee members' term of office is set to three years, starting from their election by the General Meeting.

The term of office for the members of the Committee that are also members of the Board of Directors in any event expires upon expiry of their term of office as members of the Board of Directors. The term of office of Committee members that are not members of the Board of Directors may be extended by decision of the Board of Directors until the immediately following date of the Ordinary General Meeting of shareholders, but in any case no later than 11 months. The Committee members may be freely re-elected, unless otherwise provided by law.

## **7. Evaluation**

	<b>AUDIT COMMITTEE CHARTER</b>	7th Revision
	<b>REVIEW:</b> Audit Committee	Effective date: 16.07.2021
		Date of 1st edition: March 2011

On an annual basis, or even sooner, if there are sufficient grounds for this, the Audit Committee evaluates the adequacy and efficiency of the Audit Committee's Charter and submits it to the Board of Directors for approval.

Moreover, the Committee carries out annual self-evaluations of its performance, functioning and overall qualifications of its members by means of a relevant questionnaire. The Chair of the Committee is responsible for planning the evaluation. The evaluation results are discussed by all the members of the Committee and the Chair takes steps to address any weaknesses in order to improve its services.

The Audit Committee informs the Board of Directors of the evaluation results and of any steps taken to address any deficiencies. The Committee evaluation results are taken into consideration in the evaluation of the Committee by the Board of Directors in terms of efficiency and performance of duties, which takes place on an annual basis as detailed in the Board of Directors Charter.