




<b>AUDIT COMMITTEE OPERATING REGULATION</b>	6 <sup>th</sup> Revision
	Effective Date: 22.9.2020
	Date of 1 <sup>st</sup> edition: March 2011
<b>REVIEW:</b> Internal Audit <b>APPROVAL:</b> Audit Committee	

# **AUDIT COMMITTEE OPERATING REGULATION**

**SEPTEMBER  
2020**


	<b>AUDIT COMMITTEE OPERATING REGULATION</b>	6 <sup>th</sup> Revision
	<b>REVIEW:</b> Internal Audit	Effective Date: 22.9.2020
	<b>APPROVAL:</b> Audit Committee	Date of 1 <sup>st</sup> edition: March 2011

## **TABLE OF CONTENTS**

---

### **AUDIT COMMITTEE OPERATING REGULATION**

1. Establishment.....	3
2. Composition .....	3
3. Purpose .....	4
4. Duties and Competencies.....	4
4.1. External Audit .....	4
4.2 Financial Reporting Process.....	5
4.3 Internal Control and Risk Management System Procedures and Internal Audit Unit	5
5. Meetings.....	6
6. Term of Office.....	6
7. Evaluation.....	6

	<b>AUDIT COMMITTEE OPERATING REGULATION</b>	6 <sup>th</sup> Revision
	<b>REVIEW:</b> Internal Audit	Effective Date: 22.9.2020
	<b>APPROVAL:</b> Audit Committee	Date of 1 <sup>st</sup> edition: March 2011

## 1. Establishment

The Audit Committee was initially established under the 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 the Shareholders, dated 5 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 the Shareholders, dated 15 June 2017. With the establishment of the provisions of Law 4706/2002, there was a need for the readjustment of the Audit Committee Operating Regulation.

## 2. Composition

The Audit Committee is an independent Committee according to the occasion (ab) of par. 1 of article 44 of Law 4449/2017, as it was reestablished by par. 4 of article 74 of Law 4706/2020 and consists of non-executive members of the Board of Directors and third parties, according to the Ordinary General Meeting Resolutions of 24.6.2020. More specifically, the Committee is composed of four (4) members, three (3) of which are members of the Board of Directors and one (1) which is not a member of the Company's Board of Directors but a third person to the Company.

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


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

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

The members of the Audit Committee are elected by the Company's General Meeting of the Shareholders. The Chairman of the Committee is elected by the members and is independent from the Company.

In case of resignation, death or loss of the status of the member of the Audit Committee, the Board of Directors appoints one of its existing members as a new member in the place of the absent member, for the time remaining until the end of his/her service, according, if applicable, to par. 1 and 2 of article 82 of L. 4548/2018 (A' 104), which is applied accordingly. When the abovementioned absent member is a Third Person to the Company, the Board of Directors appoints also a Third Person to the Company as a temporary substitute and the next Company's General Meeting of the Shareholders proceeds either to the appointment of the same member or to the election of another, for the time remaining until the end of his/her service at the Audit Committee.

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

	<b>AUDIT COMMITTEE OPERATING REGULATION</b>	6 <sup>th</sup> Revision
	<b>REVIEW:</b> Internal Audit	Effective Date: 22.9.2020
	<b>APPROVAL:</b> Audit Committee	Date of 1 <sup>st</sup> edition: March 2011

### 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 Audit Unit, 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 of 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 Chief Internal Auditor or the Certified Auditor Accountant to contact the Board of Directors directly whenever necessary.

### 4. Duties and Competencies


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

#### 4.1. External Audit

- The Audit Committee monitors the process and performance of the statutory audit of individual and the 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 the 16<sup>th</sup> 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 the determination of their remuneration and recommends the certified auditors

	<b>AUDIT COMMITTEE OPERATING REGULATION</b>	6 <sup>th</sup> Revision
	<b>REVIEW:</b> Internal Audit	Effective Date: 22.9.2020
	<b>APPROVAL:</b> Audit Committee	Date of 1 <sup>st</sup> edition: March 2011


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 production systems and its mechanisms, the flow and diffusion 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.
- Additionally, the Audit Committee submits an Annual Activity Report to the Company's Ordinary General Meeting of the Shareholders. This Report also contains the description of the sustainable development policy that applies to the Company.

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

- 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. Moreover, Audit Committee receives at least every three (3) months, reports from the internal audit unit, which include the most important matters concerning the unit as well as the unit's propositions to those matters. Audit Committee presents and submits those reports to the Board of Directors, along with its observations.
- It reviews published information 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's policy, with respect to ensuring sufficient information on decision making regarding 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.

	<b>AUDIT COMMITTEE OPERATING REGULATION</b>	6 <sup>th</sup> Revision
	<b>REVIEW:</b> Internal Audit	Effective Date: 22.9.2020
	<b>APPROVAL:</b> Audit Committee	Date of 1 <sup>st</sup> edition: March 2011

- It approves the objectives of the audit and the annual audit plan.
- It oversees the internal audit reports prepared by the Chief Internal Auditor and supervises the implementation of the Chief Internal Auditor's recommendations adopted by the Management, as stated in the relevant reports.
- It evaluates the Chief of Internal Audit Unit.

In order to fulfil its aforesaid duties, the Audit Committee may assign specific advisory or auditing projects to audit firms, with the approval of the equivalent expense by the Board of Directors, in case where this expense exceeds the 25% of the Group's statutory audit fees for the corresponding fiscal year.

## 5. Meetings

A Committee meeting is in quorum and may validly convene on the items of the agenda, when at least 3/4 of its members are present. The decisions of the Committee are taken by majority vote after the exchange of opinions and in a case of a tie, the opinion of the Chairman prevails.

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

The Chief of Internal Audit Unit, whose attendance in the Committee meetings is mandatory, shall act as Secretary and shall keep the minutes of the meetings.

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 Committee convenes at the Company's headquarters or anywhere else is allowed 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 discussions and decisions of the Committee are documented into minutes, which are signed by the present members, according to article 93 of Law 4548/2018.

By analogy with Article 94 par.1 of Law 4548/2018, the signing of the minutes from all members of the Board of Directors, or its representatives, is equivalent to a Committee decision, even if no meeting of the Audit Committee has taken place earlier.

## 6. Term of Office

The members of the Audit Committee shall have a three year tenure, starting from their election by the Shareholders' General Meeting of the Company.

## 7. Evaluation

At least every three (3) years –or sooner in case of a substantial reason- the Audit Committee carries out an evaluation of its performance and Operating Regulation. It then may submit proposals to the Board of Directors aiming to improve the services provided.