



## **Amendment to the Rules of Operation of the Audit Committee of AS COMPANY S.A.**

Taking into consideration the provisions of article 44 of Law 4449/2017, as was recently amended pursuant to article 74 par. 4 of Law 4706/2020, the Audit Committee amends its Rules of Operation in accordance with its minutes (ref. no 746/22.12.2020) and were approved by the Board of Directors of the Company, on the 22.20.2020, as follows:

### **I. Preamble**

The Company maintains an Audit Committee, pursuant to article 44 of Law 4449/2017, as was amended by the provision of article 74 par. 4 of Law 4706/2020 and is in force.

The Audit Committee drafts Rules of Operation, which are published on the Company's website.

The Audit Committee supports the Board of Directors within the framework of its duties and responsibilities and submits an annual report of its activities to the Ordinary General Meeting of the Company's Shareholders, which includes the Company's sustainable policy, according to the provision of article 44 par. 1 p. i) of Law 4449/2017, as was amended by article 74 par. 4 of Law 4706/2020 and is in force. According to par. 3 of article 44 of Law 4449/2017, the Audit Committee, among others, provides information regarding the results of the obligatory audit it conducts, monitors the financial information process, the efficiency of the internal control systems, quality assurance and risk management and the internal control department, the Internal Control Unit and the external auditor.

The members of the Committee shall comply with and apply these Rules. The rest of the members of the Board of Directors, the management, and the Company's personnel shall also adhere by the Rules, in respect of their involvement to the Committee's works.

The Board of Directors and its members' collective and individual responsibility to act for the benefit of the Company is not affected by the existence and operation of the Audit Committee. Any arising conflict between the members of the Committee or/and between the Audit Committee and the Board of Directors, shall be resolved by the Board of Directors.

## **II. Objective of the Rules of Operation**

The present Rules of Operation (henceforth “the Rules”) complete the Legislation in force and designate, among others, the composition, the responsibilities and the relation of the Audit Committee with the Company’s bodies (Board of Directors, General Meeting), its executives, the internal and external auditors.

## **III. Sort, composition and term of the Audit Committee**

The General Meeting of the Company’s shareholders is competent to decide upon the sort of the Audit Committee, its term, the number and capacity of its members, within the framework set by the Law.

The Audit Committee may alternatively be:

- a) A committee by the Company’s Board of Directors, comprised by non-executive members of the Board of Directors,
- b) An independent committee comprised of non-executive members of the Board of Directors and third parties.

The Audit Committee is composed by at least three (3) members, designated by the Shareholders’ General Meeting, pursuant to article 44 of Law 4449/2017 as it was amended by article 74 of Law 4706/2020, which may – as is mentioned above – to be members or not of the Board of Directors. The General Meeting, during its meeting regarding the designation of the members of the Committee, decides upon their number.

In any case, it shall include within its composition at least one non-executive member of the Board of Directors.

As the Audit Committee is comprised of members of the Board of Directors, these members shall in their entirety be non-executive, and a majority shall be independent by the Company [article 44 par. 1 p.d) of Law 4449/2017], pursuant to the provisions of Law 4706/2020, while at least one (1) of them, which shall be independent, shall have adequate knowledge on auditing or accounting. This member is obligated to be present at the Audit Committee sessions which involve the approval of financial statements.

All members of the Audit Committee shall have proven adequate knowledge on the sectors of the Company’s involvement.

The term of the members of the Audit Committee is consistent with the term of the members of the Board of Directors.

The term of the members of the Audit Committee is renewable.

The competences of the Audit Committee are defined, while taking into consideration the respective circumstances and needs of the Company as is the size, the ownership structure, the organizational perplexity, the risk profile and the practicalities of the Company's sector of involvement.

The Chairman of the Audit Committee is designated by the members of the Committee after its constituent sitting, pursuant to par. 4 of article 9 of Law 4643/2019, and is independent from the Company, according to the provisions of Law 4706/2020.

The Chairman of the Audit Committee informs the shareholders during the annual General Meeting about the activities of the Audit Committee based on its foreseen responsibilities.

Participation in the Audit Committee does not exclude the possibility of participation of members in other committees of the Board, which are not involved in the day-to-day administration and management of corporate affairs.

The members of the Committee shall not hold parallel positions or capacities (excluding those included within) within the Company or conduct transactions with the Company that could be considered incompatible with the purpose of the Committee.

In case of resignation, death or loss of membership, the Board of Directors appoints from its existing members, a new member to replace the one who ceased, for the period until the end of his term, subject, if applicable, to par. 1 and 2 of article 82 of law 4548/2018, which is applied accordingly. When the member of the previous paragraph is a third person, non-member of the Board of Directors, the Board of Directors appoints a third person, a non-member of the Board of Directors, as a temporary replacement, and the next General Meeting either nominates the same member or elects another, until the end of his term of office in the Audit Committee.

#### **IV. Posting the Rules of Operation on the Company website**

The Rules of Operation of the Audit Committee are posted without delay on the website of the Company, in any case within twenty (20) days from the session of the Board of Directors or the General Meeting. The Company submits to the Exchange Committee copies of the minutes of its bodies' sessions, regarding the composition, the staffing, and in particular, the designation, the election or replacement, as well as the term of the members of the Audit Committee.

#### **V. Duties and responsibilities of the Audit Committee**

In order to fulfill its purpose, the duties and the main responsibilities of the Audit Committee are the following:

A. It submits an annual activity report to the Ordinary General Meeting of the Company.

*B. With regard to the internal control system and information systems, the Audit Committee shall:*

- monitor the financial reporting process and the reliability of the financial statements of the Company and submit recommendations or proposals to ensure its integrity. The Committee reviews and audits each official announcement regarding the financial performance of the Company and examines the key points of the financial statements that contain significant judgments and estimates by the Management.
- supervise the internal financial controls of the Company and monitor the effectiveness of internal control and risk management systems of the Company, unless this responsibility clearly belongs to the Board of Directors or to another of its committee. To this end, the audit committee should periodically review the Company's internal control and risk management system to ensure that key risks are properly identified, addressed and disclosed,
- examine conflicts of interest in the transactions of the Company and its subsidiaries with related parties and to submit relevant reports to the Board of Directors,
- to the extent required by the Company's policy, supports the Board of Directors in obtaining sufficient information to make decisions on matters of transactions between related parties,
- examines the existence and content of those procedures, according to which the Company's staff will be able, in confidence, to express their concerns about possible illegalities and irregularities in matters of financial information or other issues related to the operation of the company. The Audit Committee shall ensure that procedures are in place to effectively and independently investigate such matters and to address them appropriately.

*C. With regard to supervision of the Internal Audit Department, the Audit Committee shall:*

- ensure the operation of the Internal Audit Department in accordance with the international standards in respect of the professional implementation of internal audit,
- formulate and examine the operating regulations of the Internal Audit Department,
- monitor and inspect the proper operation of the Internal Audit Department, and examine the quarterly audit reports it prepares,
- ensure the independence of the internal audit, proposing to the Board the appointment and dismissal of the head of the Internal Audit Department,
- evaluate the people who staff the Internal Audit Department.

*D. With regard to supervision of the statutory/ regular audits, the Audit Committee:*

- informs the Board of Directors about the result of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and what was the role of the Audit Committee in this process
- monitors the statutory audit of the annual and consolidated financial statements and in particular its performance, taking into account any findings and conclusions of the competent authority in accordance with paragraph 6 of Article 26 of Regulation (EU) no. 537/2014
- makes recommendations to the General Assembly through the Board on the appointment, reappointment or/and the withdrawal of regular auditor, and approval of the remuneration and terms of appointment of the regular auditor,
- reviews and monitors the independence of its auditors or audit firms, the objectivity and effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements in Greece,
- examines and monitors the provision of additional services to the Company by the auditing company to which the regular auditor(s) belongs. To this end, if necessary, it formulates and implements a policy for the recruitment of regular auditors regarding the provision of non-audit services, and supervises its implementation,
- discusses with the regular auditor the essential audit differences that arose during the audit regardless of whether they were subsequently resolved or remained unresolved,
- discusses with the regular auditor his report which refers to the weaknesses of the internal control system, in particular those concerning the procedures for the provision of financial information and the preparation of financial statements.

## **VI. Functioning of the Audit Committee**

- The Committee meets regularly, at least four times a year (two of which before the publication of the financial statements for the first half of the year) or extraordinarily, when necessary, keeping minutes of its meetings and reporting to the Board of Directors, if deemed necessary.
- The Committee has a quorum, meets validly and can decide, if at least half of its members plus one (if a fraction occurs, it is omitted) are present at the meeting or participate in the decision-making, and in any case, at least three of its members.
- The members may authorize another member to participate on their behalf in the meetings and voting processes of the Committee. A member may be authorized only by one other member. The authorizations may be provided in writing or electronically (email, scanned document etc.)
- The meetings are held at the headquarters of the Company or pro rata for the existing provisions for the Board of Directors (Article 90 of Law 4548/2018), via video conference.

- The topics on the agenda are made available to each member at least three days prior to the meeting. The relevant documents can be transferred via e-mail. If all members are present or represented, and a member isn't opposed, the Committee may validly discuss and decide upon matters not included in the daily agenda.
- The Committee may invite to its meetings any member of the Company or other person (employee of the Company, partner) which it considers may assist it in carrying out its works.
- The discussions and the decisions of the Audit Commission are recorded in the minutes in accordance with the Article 74 of Law 4706/2020, and are signed by the participating members, pursuant to Article 93 of Law 4548/2018. The decisions are taken by the absolute majority of the members. In the event of a tie, the vote of the Committee's Chairman shall prevail. The Committee may appoint a secretary to keep minutes of its meetings.
- The preparation and signing of the minutes by all members of the Committee is equivalent to a decision, even if no meeting has taken place. Members' signatures can be replaced by email messages. The minutes of the Committee are available to all members of the Committee, as well as to the Board of Directors.
- The Audit Committee may use external consultants, and therefore the Company should make available to the Committee sufficient funds and resources to that end.
- The Audit Committee has unimpeded and full access to the information needed in the exercise of its duties and has the resources needed to conduct its works.
- The members of the Audit Committee may receive compensation, where permitted by the current Company policy regarding remunerations as is in force and was approved by the General Meeting.
- The Audit Committee applies a procedure for periodic evaluation of the effectiveness of its operation.

These Rules are prepared by the Audit Committee and enter into force after their approval by the Board of Directors of the Company.

The amendment of the Rules of Operation of the Audit Committee is carried out whenever necessary, on the recommendation of the Audit Committee and approving decision of the Board of Directors.

The Rules of Operation of the Audit Committee are published on the website of the Company (<https://ir.ascompany.gr>).