

# EKTER SA

## RULES OF PROCEDURE OF THE AUDIT COMMITTEE

Review by decision of  
the Audit Committee  
of 21.09.2020

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These Rules (hereinafter "the Rule") records the composition of the Audit Committee of **EKTER SA** (hereinafter "the Company") as well as the responsibilities, duties and obligations of its members, in accordance with the decision of the Extraordinary General Assembly of the Company of 12.09.2020, the provisions of Law no. 4706/2020 (articles 1-24) on corporate governance, as in force, Law No. 4449/2017 (article 44) on the statutory audit of annual and consolidated financial statements and public oversight of the audit work, as amended by article 74 of Law No. 4706/2020 and in force, and finally, the provisions of the Company's Internal Rules of Procedure (article on the Internal Audit Committee).

## 1. COMPOSITION OF COMMITTEE - ELECTION - REPLACEMENT OF MEMBERS

**1.1.** By decision of the Extraordinary General Assembly of the Company on 12.09.2020, it was decided that the Audit Committee of the Company shall be a Board of Directors Committee, which elects its members exclusively from the non-executive members of the Board.

In particular, the Committee shall have three Members, consisting of at least two (2) Independent Non-Executive Members, within the meaning of Article 9 of Law 4706/2020, and one (1) Non-Executive Member of the Board of Directors.

**1.2.** The Audit Committee Members as a whole must have sufficient knowledge in the field in which the Company is engaged. At least one Committee Member must be a certified public accountant-auditor that is in suspension or retired, or have sufficient knowledge of auditing and accounting.

**1.3.** The decision of the Board of Directors on the election of the members of the Audit Committee must adequately justify the qualifications of the elected members as well as their compliance with the requirements of par. 1 of Article 44 of Law 4449/2017, as in force.

**1.4.** In case of resignation, death or loss of Member status, the Board of Directors shall appoint from its existing Members a new Committee Member to replace the one missing, for the period until the end of its term of office, respecting, where appropriate, paragraphs 1 and 2 of Article 82 of Law 4548/2018, which shall apply *mutatis mutandis*.

**1.5.** Participation in the Audit Committee does not preclude the potential participation in other Committees of the Board of Directors.

## 2. TERM OF OFFICE

**2.1.** The term of office of the Audit Committee Members shall be five years, equal to the term of office of the Board of Directors, and shall be automatically extended until the first Ordinary General Meeting after the end of their term of office.

**2.2.** The Committee may designate a shorter term to follow the term of office of the Board of Directors.

## 3. CONSTITUTION OF THE COMMITTEE

The Audit Committee shall be constituted in a body after its election and shall elect its President, who must be independent from the Company, within the meaning of the provisions of Article 9 of Law 4706/2020, as in force.

## 4. COMMITTEE MEETINGS - QUORUM - DECISION MAKING

**4.1.** The Committee shall meet at the registered office of the Company or where provided for in its Articles of Association, in accordance with Article 90 of Law 4548/2018. The Committee may meet through video or telephone conference.

**4.2.** The Internal Audit Committee shall meet as many times as necessary to carry out its tasks effectively and at least four times a year, at the invitation of its President, which shall be communicated to the Members at least two (2) business days before the Meeting. The invitation shall include the daily agenda items, the date, time, and place of the Committee Meeting.

It is also possible to convene the Committee at the request of any of its members or at the request of the Internal Audit Department or external auditors or a Board of Directors Member or Company or Group executive.

**4.3.** The Audit Committee, in addition to the scheduled meetings, is required to hold meetings with the management and the relevant executives during the

preparation of the financial reports, as well as with the certified public accountant-auditor during the planning stage of the audit, its execution and the preparation of the audit reports.

The Audit Committee meets at least once every three months with the Head of the Internal Audit Service to discuss issues within its remit and any problems that may arise from internal audits.

**4.4.** The Committee shall be in quorum and meet legally, when all its Members are present. The decisions of the Committee shall be taken by a majority after an exchange of views.

**4.5.** The discussions and decisions of the Audit Committee shall be recorded in minutes, which shall be kept by the Secretariat. The minutes shall be distributed and approved at the next meeting of the Committee and signed by the members, in accordance with article 93 of Law No. 4548/2018).

## 5. WORK OF THE COMMITTEE

The Audit Committee aims to support the Board of Directors in its tasks regarding financial reporting, internal audit and supervision of ordinary audit and is in constant cooperation with the Company's Internal Audit Department.

The object of the Committee is to, among others, supervise the Company's internal audit systems, monitor the statutory audit of the annual and consolidated financial statements and audit the selection and independence of certified public accountants-auditors.

In particular:

- Acts as a link between the Board of Directors, the Internal Auditor, the certified public accountants-auditors and the Company's executives with regard to the accounting and financial statements, management information reports, corporate governance, risk management and the internal audit system.
- Supports the Board of Directors in fulfilling its duties regarding the proper application of accounting principles and the reporting system of the Company and all its subsidiaries and the adequacy of the internal control

system.

- Contributes to ensuring the quality of internal audit, financial audit, management integrity, and the adequacy and transparency of financial and operational information. However, it is still possible for the Internal Auditor or the Certified Public Accountant-Auditor to contact the Board of Directors directly if necessary.

## 6. DUTIES AND RESPONSIBILITIES

**6.1.** The main responsibilities of the Audit Committee, in accordance with Article 44 of Law 4449/2017, are the following:

- (a) inform the Board of Directors of the Company about the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of the financial information and what was the role of the Audit Committee in this process;
- (b) monitor the financial reporting process and make recommendations or proposals to ensure its integrity;
- (c) monitor the effectiveness of the internal audit, quality assurance and risk management systems of the Company and, where applicable, its Internal Audit Department, regarding the Company's financial reporting, without violating the independence of the Internal Audit Department;
- (d) monitor 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;
- (e) overview and monitor the independence of certified public accountants-auditors or audit firms in accordance with Articles 21, 22, 23, 26 and 27, as well as Article 6 of Regulation (EU) No 537/2014 and in particular the suitability of the provision of non-audit services to the Company, in accordance with Article 5 of Regulation (EU) No 537/2014;
- (f) it shall be responsible for the certified public accountants-auditors or audit firms selection process and propose certified public accountants-auditors or audit

firms to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, unless paragraph 8 of Article 16 of Regulation (EU) No 537/2014 applies.

**6.2.** The Audit Committee, through its President, reports to the Board of Directors and establishes the performance of lawful, efficient and unaffected internal and external audits of the Company and ensures communication between the audit bodies and the Board of Directors.

More specifically, the Committee responsibilities include in particular the following:

**A. As regards the internal audit and the reporting systems:**

- monitoring the process of financial reporting and reliability of the Company's financial statements;
- supervision of any official announcement concerning the financial performance of the Company, and examination of the financial statements key points, containing significant opinions and estimates from the Management;
- supervision of the Company's internal financial audits;
- monitoring the effective functioning of the internal audit system and the risk management system, as well as monitoring the proper functioning of the internal auditors unit of the Company;
- examination of conflicts of interest during the Company's transactions with related parties and submission of relevant reports to the Board of Directors;
- examination of the existence and the content of those procedures, according to which the Company's staff may, under confidentiality, express concerns about possible unlawful actions and irregularities in matters of financial reporting or other issues related to the operation of the Company;
- monitoring the course of the statutory audit of corporate and consolidated financial statements;
- review and monitoring of issues related to the existence and maintenance of the objectivity and independence of external auditors, in particular as regards the provision of other services to the Company by external auditors.

**B. As regards the supervision of the Internal Audit Department:**

- ensuring the functioning of the Internal Audit Department in accordance with International Standards for the professional application of internal audit;
- determination and review of the Internal Audit Department Rules of Procedure;
- monitoring and review of the proper functioning of the Internal Audit Department, and monitoring its quarterly audit reports;
- ensuring the independence of internal audit and submitting proposals to the Board of Directors for the appointment and recall of the Internal Audit Head.

**C. As regards the regular audit supervision:**

- the submission of proposals, through the Board of Directors, to the General Meeting on the appointment, re-appointment and revocation of the regular auditor, as well as the approval of the remuneration and the conditions of recruitment of the regular auditor;
- the examination and monitoring of the independence of the regular auditor and the objectivity and effectiveness of the audit process, taking into account the applicable professional and regulatory requirements;
- the review and monitoring of the provision of additional services to the Company by the audit firm the regular auditor(s) belong(s) to.

In this context, the Audit Committee shall:

- review, in cooperation with the Financial Department and the Certified Public Accountants-Auditors, the annual audit plans;
- review issues of appointment, term of office or departure of the certified public accountants-auditors of the Company and submit its recommendation to the Board of Directors for their appointment;
- review in collaboration with the General Directorate and the Financial Department:
  - the internal audit reports that are characterized by the same, the General Directorate or the Financial Department, as important;
  - the human resources and equipment adequacy of the Internal Audit



services and the structure these should have;

- review in collaboration with the Financial Department and auditors:
  - the suitability of the Company's internal audit systems, including the audits of electronic IT and security systems.
  - The content of the Certified Public Accountants-Auditors reports concerning the financial statements of the Company and the responses of the competent services.
- be informed by the General Directorate, the Financial Department and the auditors about significant risks or exposures and shall determine the measures taken or those that should be taken to minimize the risk for the Company;
- review, in cooperation with the General Directorate and the auditors, the simple and consolidated financial statements, the relevant annexes and the bi-annual statements, before submitting them to the Board of Directors and notes:
  - any changes to the way of drafting;
  - sectors that require specific crisis decisions;
  - significant adjustments resulting from the audit;
  - observance of the accounting principles and practices;
  - observance of the Stock Exchange laws and rules.

## 7. RELATIONSHIP WITH OTHER PERSONS / BODIES OF THE COMPANY

**7.1.** The Audit Committee is an independent body, its decisions are taken independently from the decisions of other bodies of the Company and its members act and decide on their own conscience.

**7.2.** The Audit Committee shall invite, whenever it deems appropriate, key executives involved in the Company's governance, including the Chief Executive Officer, the Chief Financial Officer and the Head of the Internal Audit Service, to attend specific meetings and to express their views on them.

**7.3.** The Audit Committee shall have full access to any information of the Company necessary for the performance of its duties and the Company shall make available to the Audit Committee any person the Committee deems necessary.

**7.4.** The Board of Directors shall ensure that the Audit Committee is assisted by an external consultant, if the Audit Committee so requests and with good reason, making available the necessary funds for this purpose.

**7.5.** The Board of Directors shall ensure that each member of the Audit Committee receives appropriate information and training to enable him/her to carry out his/her duties effectively.

## 8. MEMBERS' REMUNERATION

The remuneration of the members of the Audit Committee shall be set by decision of the Board of Directors and approved by decision of the Annual General Assembly of the Company.

The remuneration should be commensurate with the scope of their duties, taking into account, inter alia, the complexity - breadth of their work, the time required, the degree of responsibility and the level of remuneration of the other members of the Board of Directors.

## 9. APPROVAL - PUBLICATION - REVIEW OF RULES OF PROCEDURE

The Audit Committee's Rules of Procedure are prepared and reviewed by the Audit Committee and published on the Company's website.