

**QUESTIONS AND ANSWERS REGARDING THE PROVISIONS OF ARTICLE 44 OF GREEK LAW 4449/2017
ON THE AUDIT COMMITTEE (A.C.)**

Serial Number	Legislation	Question	Answer
1.	Par. 1 Article 44 Law 4449/2017	What action should the company take to comply with the applicable provisions of par. 1(b) of Article 44 of Greek law 4449/2017, if the existing A.C. has been elected before the amendment of the provisions (Article 74 of Greek law 4706/17.07.2020) of the Law, while it has not been set the type, composition and term of the A.C.?	<p>First of all, the Board of Directors of the company must examine whether the composition of the A.C. is in accordance with the provisions of Article 44 of Greek law 4449/2017, as in force, and whether the term of the A.C. is provided for.</p> <p>If this is the case, the Board of Directors of the company must, at the first General Meeting to be convened, raise the issue of the redefinition of the A.C., and take a decision regarding the type, composition (number and capacities of the members) and the term of the A.C., in case the above is not provided for in the Statutes or in the Company's Rules of Procedures.</p> <p>In case the General Meeting decides to determine a different type of Board of Directors from the one already provided for, a corresponding amendment to the company's Statutes must be made beforehand.</p>
2.	Par. 1 Article 44 Law 4449/2017	In case the company intends to convene a General Meeting with topic of electing a new Board of Directors , must there be an added topic of electing an A.C. at the same General Meeting?	<p>Yes, there should be a topic of redefining the type, composition and election of its members, if the change in the persons of the Board affects the composition of the A.C.</p> <p>In particular, if the above conditions are met, the General Meeting shall in principle take a new decision on the type and composition of the A.C.</p>

			Subsequently, the General Meeting appoints the third persons, and the Board of Directors appoints the persons from its members.
3.	Par. 1 Article 44 Law 4449/2017	In case the type, composition and term of the A.C. have been decided in a previous General Meeting, should a decision on the type, composition and term of the new A.C. be taken at the expiry of the A.C. , even if there is no corresponding provision in the company's Rules of Procedures?	Yes, after the expiry of the term of the A.C., when the A.C. is appointed, the new General Meeting must confirm or redecide on the type, composition and term of the A.C..
4.	Par. 1 Article 44 Law 4449/2017 (point c)	In case the General Meeting decides to elect a new Board of Directors and at the same time elect a new A.C., which will be an independent (joint) committee including a non-executive member of the Board of Directors, how does the General Meeting know which member of the Board of Directors has the status of non-executive , since this status is subsequently conferred when the Board of Directors is constituted? Why didn't the legislator provide that in the case of a joint A.C. the members of the A.C. coming from the Board of Directors will also be appointed by the Board of Directors, as it is provided for when the A.C. is a committee of the Board of Directors and also in cases where members of the A.C. are replaced by members of the Board of Directors?	In the case that it is decided by the General Meeting that the A.C. should be an independent joint committee, consisting of at least one member of the Board of Directors, the same General Meeting, as the supreme body, either appoints all the members of the A.C., or appoints as members of the A.C. only the third persons and authorizes the Board of Directors to select the other members from its members who meet the legal requirements. In the case that the General Meeting decides that the A.C. should be an independent joint committee and the same General Meeting appoints all the members of the A.C., then the Board of Directors undertakes to confer the status of non-executive member to the specific person or persons appointed by the General Meeting.
5.	Par. 1 Article 44 Law 4449/2017	In the case of an independent A.C., do third parties necessarily have to meet the independence criteria?	No, it is not necessary for the third parties to meet the criteria of independence, as long as the majority of the A.C. members meet these criteria.

	(point d)		It should be noted that third parties do not by definition meet the independence criteria and therefore the decision of the General Meeting on the type and composition of the A.C. must explicitly state whether or not the third parties will meet the independence requirements in accordance with Article 9 of Greek Law 4706/2020.
6.	Par. 1 Article 44 Law 4449/2017 (point g)	What should be included in the Minutes of the constituent sitting of the A.C. regarding its member who has sufficient knowledge in auditing or accounting ?	The minutes of the constituent sitting of the A.C. must explicitly state the person or persons with sufficient knowledge and experience in auditing or accounting, as well as the persons who are required to attend the meetings of the A.C. concerning the approval of the financial statements.
7.	Par. 1 Article 44 Law 4449/2017	In case of replacement of a member of the A.C. by the Board of Directors or a change in the capacity of a member of the A.C., is the A.C. required to reconstitute itself as a body?	Yes, in case of replacement of a member of the A.C. by the Board of Directors or change in the capacity of a member, the A.C. is required to reconstitute itself as a body by appointing its President.
8.	Par. 1 Article 44 Law 4449/2017 (point f)	In the case that the Board of Directors takes a decision to replace a BoD member who is also a member of the A.C., and who holds the status of independent non-executive director, what should be discussed at the next General Meeting ? Should the General Meeting take a decision on the appointment of a member to the A.C. or will it refer the decision to the Board of Directors, either in the case of an independent joint A.C. or in the case of a Board of	At the next General Meeting, the replacement of a BoD member is announced and the General Meeting decides on the definitive granting of the status of independent non-executive member of the BoD for the remaining period until the expiry of his/her term of office, either to an existing BoD member or to a new member who is elected, provided that the fulfilment of the independence

		Directors committee?	criteria has been ascertained. Thereafter: (i) since the A.C. is a committee of the Board of Directors, the General Meeting is not required to take a decision on the appointment of the above person as a member of the A.C., as this will be done by a Board of Directors decision. ii) if the A.C. is an independent joint committee, either the General Meeting shall take a decision to appoint the above person as a member of the A.C. or authorize the Board of Directors to take the decision to appoint him/her.
9.	Par. 1 Article 44 Law 4449/2017 (point f)	Is it possible for a BoD member to resign only as an A.C. member and remain only as a BoD member ?	Yes, it is possible.
10.	Par. 1 Article 44 Law 4449/2017 (point f)	Is it possible for a BoD member to resign only as a BoD member and remain only as a member of the A.C. ? Is it possible for the Board of Directors to temporarily change the type of the A.C. until the next General Meeting?	No, he/she cannot resign as a member of the Board of Directors and remain a member of the A.C., because the composition and possibly the type of the A.C. will change, in relation to the decision taken by the General Meeting, as it is the only competent body to take this decision.
11.	Par. 1 Article 44 Law 4449/2017	Is it permissible to have joint members in the Audit Committees of parent and subsidiary companies, which are both listed?	Listed companies of the same Group, with a parent-subsidiary relationship, are recommended not to have common persons in the Audit Committees, taking into account, in particular, any independence and conflict of interest issues and without prejudice to any more specific provisions relating to credit institutions.
12.	Par. 1	Is Board of Directors' approval also required for the Audit	There is no statutory provision for Board of

	Article 44 Law 4449/2017 (point h)	Committee Rules of Procedures?	Directors' approval. It should be noted that all listed companies are required to update their Audit Committee Rules of Procedures, following the amendment of Article 44 of Greek law 4449/2017 by Article 74 of Greek law 4606/17.07.2020.
13.	Par. 1 Article 44 Law 4449/2017 (point i)	When should the annual report of the Audit Committee be issued?	The annual report should be issued together with the company's annual financial report and is recommended to be a separate part of its content.
14.	Par. 1 Article 44 Law 4449/2017 (point i)	What are the A.C.'s obligations regarding sustainable development policy ?	In the annual report, the A.C. includes a description of the sustainable development policy followed by the company, if this is provided for by the corporate law and in particular by Article 151 of the Greek law 4548/2018. Consequently, there is no other obligation beyond the above description of the sustainable development policy.
15.	Par. 3 Article 44 Law 4449/2017	What is the minimum number of meetings the A.C must hold during the year for which it keeps minutes?	No specific number is laid down in the provisions in force, but the minimum number of meetings of the A.C. during a year is determined by its competencies in conjunction with its work plan. Indicatively: - Constituent sitting and appointment of the President - Establishment of the annual action plan of the A.C. - Adoption of the annual audit plan of the internal audit unit - Meetings with the managers for the preparation of the financial statements

			<ul style="list-style-type: none"> - Meetings with the statutory auditors during the planning stage of the audit, during the performance of the audit, during the preparation of the audit reports and the presentation of the supplementary report - Examining and evaluating the internal auditor's quarterly reports and the recommendations of the A.C. thereon, and preparing a report to the Board of Directors - Preparation of a report to the Board of Directors on the preparation and audit of the annual and half-yearly Financial Statements and the auditor's comments thereon, prior to their approval by the Board of Directors - Preparation and approval of the annual report on the activities of the A.C.
16.	Par. 3 Article 44 Law 4449/2017	Are the A.C.'s competencies exclusively related to financial information ?	<p>The competencies of the A.C. are set out in par. 3 of Article 44 of Greek law. 4449/2017, and in particular in point (c) the following are mentioned:</p> <p>3. Without prejudice to the responsibility of the members of the administrative or management body or other members elected by the general meeting of shareholders of the audited entity, the audit committee shall, inter alia:</p> <p>...</p> <p>c) monitors the effectiveness of the Company's internal audit, quality assurance and risk management systems and, where appropriate, its internal audit department, in respect of the audited entity's financial reporting, without violating the independence of such entity.</p> <p>As the Internal Control System (ICS) and the</p>

			<p>internal audit responsibilities include non-financial reporting, we believe that the A.C.'s Rules of Procedures do not preclude the inclusion of monitoring responsibilities beyond financial reporting.</p> <p>In any case, the members of the A.C. must have a basic understanding of the financial substance of the financial statements published by the Company, and in particular, the member who has sufficient knowledge of auditing or accounting, this knowledge must be related to international standards.</p>
17.	Par. 3 Article 44 Law 4449/2017	How is the fulfilment of A.C.'s responsibilities reflected, so as to document its actions?	<p>The Company's Audit Committee must provide the documents and data, including minutes of its meetings and its reports to the Board of Directors, in order to document its actions and the results thereof with regard to the implementation of the work of the A.C., within the scope of its responsibilities. The above actions of the A.C. must be adequately and specifically reported in the Audit Committee's annual report. In this regard, it is mentioned that, in the letter of the HCMC dated 28.04.2017 (No. 1302/28.04.2017), specific actions of the A.C. are listed so that the members of the A.C. may properly perform their responsibilities.</p>
18.	Par. 3 Article 44 Law 4449/2017	Can the A.C. undertake, in accordance with its regulations, other responsibilities beyond those provided for by the applicable provisions (in particular when there is a supervisor-supervisee relationship)? For example, Supervisory Compliance?	<p>It is recommended that companies should not incorporate into the A.C. the competencies that fall under A.C. supervision.</p> <p>In any case, the companies should examine, with regard to their relevance and the relationship between auditor and auditee, the organization chart</p>

			(reporting lines), the Rules of Procedures, the corporate governance declaration and the company's corporate governance system in general.
19.	Decision 891/30.09. 2020	Should the Supervisory Compliance Unit have an annual action plan approved by the Audit Committee, which monitors its implementation?	<p>The Hellenic Capital Market Commission considers that the Supervisory Compliance Unit does not necessarily functionally report to the A.C.</p> <p>Therefore, the Supervisory Compliance Unit's annual action plan is not required to be approved, or monitored, by the Audit Committee. In this regard, it is mentioned that the said provision has been amended by the Decision of the Board of Directors of the HCMC No. 2/917/17.06.2021.</p>
20.	Par. 5 Article 10 Law 4706/2020	In accordance with the applicable provisions, the A.C. may use the services of external consultants to fulfill its objectives. Can such outsourcing by the A.C. mean that either part of its responsibilities or part of its competencies, which may be exercised by third parties, is delegated?	The outsourcing of work to external consultants may take place in support of its work and does not imply either a delegation or a waiver of responsibility on the part of the A.C..
21.	Par. 4 Article 5 Law 4706/2020 Par. 4 Point (b) Law 4449/2017	What are the disclosure and reporting obligations to the A.C. regarding the composition or term of the members of the Board of Directors and the Audit Committee?	With regard to the composition or the term of the members of the Board of Directors, the Companies must publish an announcement on the website of the regulated market without delay and submit to the Hellenic Capital Market Commission, within 20 days from the General Meeting and/or the Board of Directors' meeting, copies of the relevant extracts of the minutes of their meetings, concerning the constitution, the composition, the staffing, as well as the term of the members of the Board of Directors.

			<p>With regard to the composition, staffing, and in particular the appointment, election or replacement, as well as the term of the members of the Audit Committee, the Companies must publish without delay on the website of the regulated market an announcement of the decisions of the General Meeting, the Board of Directors and the A.C. regarding the composition, staffing, and in particular the appointment, election or replacement, as well as the term of the members of the Audit Committee. In addition, and within 20 days of the meeting of the General Meeting and/or the Board of Directors, the Companies must:</p> <ul style="list-style-type: none"> - publish on the website of the regulated market the extracts of the minutes of the General Meeting and/or Board of Directors' meeting that contain the above-mentioned issues, taking care to delete personal data. - send copies of the relevant extracts of the minutes of the meeting of the General Meeting and/or the Board of Directors, which contain the above-mentioned issues, to the Hellenic Capital Market Commission. <p>It is noted that the ascertainment of the fulfillment of the criteria and conditions laid down in the legal framework, as regards the independent members of the Board of Directors and the members of the A.C., as well as the fulfillment of the suitability criteria stipulated by the Suitability Policy adopted by the Company, as well as the bodies that previously carried out the above verification, is expected to be</p>
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			mentioned and recorded in the minutes of the body (General Meeting / Board of Directors) that carried out their election. Finally, within 20 days, they must send to the Hellenic Capital Market Commission the minutes of the constitution of the A.C.
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