

**CORPORATE GOVERNANCE STATEMENT**  
**FOR THE PERIOD FROM 01/01/2022 TO 31/12/2022**

This declaration has been prepared in accordance with Articles 152 and 153 of Law No. 4548/2018 and is included in the annual management report of the company "EPSILON NET - Information Technology, Education and High Technology Products Societe Anonyme", with the distinctive title "EPSILON NET S.A." for the fiscal year from 01/01/2022 to 31/12/2022, as a special section of this report and is available through the Company's website <http://www.epsilonnet.gr>. The institutional framework governing the operation and obligations of "EPSILON NET S.A.", as a company domiciled in Greece, is Law 4548/2018 on public limited companies, which entered into force on 1 January 2019, replacing Law 2190/1920 and Law 4706/2020 on Corporate Governance of Public Limited Companies, which incorporated into Greek law Directive (EU) 2017/828 of the European Parliament and of the Council and repealed the provisions of Articles 1 to 11 of 3016/2002, which until recently regulated the corporate governance of public limited companies. Apart from Law 4548/2018, issues such as the scope of work, the purpose, the duration, the powers of the Board of Directors and the General Meetings, the election of Auditors, the liquidation and dissolution of the Company are defined by its Articles of Association which are available through the corporate website. As a Company whose shares are traded on the main market of the Athens Exchange, it has additional obligations in the individual areas of governance, information to the investing public and the supervisory authorities, publication of financial statements, etc.

Based on the above mentioned, the Board of Directors of "EPSILON NET S.A." declares the following:

**A) The Corporate Governance Code to which the Company is subject.**

The Company, in the context of the practical application of its principles and policies in order to safeguard the interests of all those connected with the Company and the Group (personnel, directors, Board of Directors, shareholders, suppliers, customers, credit institutions, government bodies, etc.) and in compliance with the requirements of the Law, as a public limited company with securities listed on the Athens Exchange, complies with the current legislative framework, including Law no. 4706/2020 on corporate governance. According to L. 4706/2020 and Decision 2/905/3.3.2021 of the Board of Directors of the Hellenic Capital Market Commission, the Company

has adopted, by decision of its Board of Directors, taken on 16 July 2021, the Hellenic Corporate Governance Code (the "HCGC"), formulated by the Hellenic Corporate Governance Council (the "HCC") for companies with securities listed on a stock exchange, which was issued in June 2021 by the Hellenic Corporate Governance Council ("HCC"). This code has been posted and is available on the company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr).

## **B) Deviations from the Corporate Governance Code and justification of reasons for deviation.**

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### Part A – BOARD OF DIRECTORS

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#### 1.FIRST SECTION - ROLE AND RESPONSIBILITIES OF THE GOVERNING BOARD.

##### Special practice 1.13.

Considering the market sector in which it operates and the constant changes in the digital environment, which requires vigilance and constant monitoring of developments and changes in technology, whose rapid developments affect the business management of the Company's business areas, the Board of Directors meets regularly in the context of corporate governance and transparency, with the presence of its non-executive members. In addition, in the context of the Board of Directors' meeting in view of the Annual General Meeting of the Company's shareholders, the Board of Directors' activities are discussed, and opinions are expressed on the evaluation of the Board of Directors' operation and the performance of all its members as well as proposals for the next financial year. This practice yields, without the need for a special meeting of non-executive members for this purpose, which in the corporate environment is part of the structure of the functioning of the board and the necessity of decision-making with an exchange of views by all members, information, and interactive discussion. The evaluation of board members is foreseen as a procedure (regular and ad hoc) in the policy on the suitability of board members.

##### Special practice 1.17.

In view of the corporate structure and the peculiarities of the market in which the Company operates, the preparation of a plan, which would be constantly revised and redefined, has been deemed not to serve the operation of the Company. There is no exclusion on the grounds of sex,

race, color, ethnic or social origin, religion or belief, property, birth, disability, age, or sexual orientation.

## **2. SECOND SECTION - SIZE AND COMPOSITION OF THE BOARD OF DIRECTORS.**

Special practice 2.2.15.

The diversity criteria refer only to the members of the Board of Directors and do not refer to the senior or chief managers with specific gender representation targets, due to the small number of the Company's administrative, management and supervisory bodies, each of which is composed of a small number of members, while respecting, among others, the principle of non-discrimination and equality.

Special practice 2.2.17.

There are no restrictions on the number of Board members on the number of positions they hold on to the boards of other companies. The adequacy of their available time shall be considered at the time of their election.

Special practice 2.2.18.

The participation of non-executive members of the Board of Directors on the boards of other listed companies is considered on a case-by-case basis. In any case, the prohibitions on conflicts of interest apply.

Special practice 2.2.21.

The Chairman of the Board of Directors is an executive member, elected by the Board of Directors when it is constituted, with duties and responsibilities decided in the context of the delegation of powers by the Board of Directors and defined in the Articles of Association and the Company's internal regulations.

Special practice 2.2.22.

The Independent Non-Executive Vice-Chairman of the Board of Directors in accordance with the Company's internal regulations is responsible for the coordination and effective communication of the executive and non-executive members of the Board of Directors.

Special practices 2.3.7, 2.3.8, 2.3.9, 2.3.12, 2.4.7 & 2.4.11.

The Company has a single Nomination and Remuneration Committee but may choose to establish separate committees. The Company has no subsidiaries with shares listed on regulated markets and it is not considered necessary for the Company's subsidiaries to have a Nomination and Remuneration Committee. The (single) Remuneration and Nominations Committee consists of three (3) non-executive members of the Board of Directors, of which at least two (2) are independent (non-executive members) who meet the independence requirements of article 4 of Law no. 3016/2002, as well as article 9 of Law No. 4706/2020. The members of the Remuneration and Nomination Committee are appointed by the Board of Directors. An independent non-executive director is appointed as the Chairman of the Committee. The term of office of the members of the Remuneration and Nomination Committee shall be the same as the term of office of the members of the Board of Directors of the Company, unless otherwise decided by the Board of Directors. There is no provision for not exceeding nine (9) years in total for membership on the Compensation and Nominating Committee, as the committee is newly formed.

Special practices 2.3.10, 2.3.11, 2.4.8 & 2.4.9,

The Nomination and Remuneration Committee operates with specific tasks in accordance with the applicable legislation, the Company's internal rules of operation and the Company's own rules of operation: The responsibilities of the Remuneration & Nomination Committee of the Company regarding the remuneration of the members of the Board of Directors are: a) to review the Company's general remuneration policy, based on the guidelines received from the Board of Directors, which also makes the final decisions, b) submitting proposals to the Board of Directors regarding the content of the Remuneration Policy, in accordance with the provisions of article 110 of Law 4548/2018, which is submitted for approval to the General Meeting of Shareholders. In this context, the Committee periodically assesses the need to update the Company's Remuneration Policy, taking into account market conditions, best practices, corporate strategy and the current employment framework; c) submitting proposals to the Board of Directors regarding the level of the total remuneration and compensation of the persons falling within the scope of the Remuneration Policy pursuant to article 110 of Law 4548/2018, as well as of the Company's executives, in particular the head of the Internal Affairs unit; d) reviewing the level of the remuneration of the Company's executives, in particular the head of the Internal Affairs unit, and the level of the remuneration of the Company's employees. Additional remuneration for members

of the Board of Directors of the Company who participate in committees, for reasons of transparency and information, is shown separately in the Remuneration Report of article 112 of Law No. 4548/2018. Similarly, the following are shown in the Remuneration Report of article 112 of Law No. 4548/2018 separately and the regular and extraordinary performance-related remuneration for the executive members of the Board of Directors; and e) reviewing the information included in the Annual Remuneration Report in accordance with article 112 of Law 4548/2018, providing its opinion to the Board of Directors of the Company before submitting the Report to the Annual General Meeting of Shareholders for discussion.

Special practices 3.3.7 - 3.3.10.

The main responsibilities of the Remuneration & Nomination Committee with respect to the nomination of candidates for the Board of Directors are as follows: a) to identify and recommend to the Board of Directors of the Company candidates suitable to become Directors, as well as to recommend candidates to fill vacancies on the Board of Directors or its Committees or the Audit Committee, as the case may be. In selecting candidates, the Committee shall take into account the factors and criteria of individual and collective suitability determined by the Company, in accordance with the approved Suitability Policy adopted by the Company; b) to review periodically the size and composition of the Company's Board of Directors and its Committees and to submit proposals to the Board of Directors; c) to review the Company's Suitability Policy; and d) to review periodically the fulfilment of the independence requirements in accordance with Article 9 of L. 4706/2020 of the independent non-executive members of the Board of Directors, as well as in the event of the election of a new member to replace a resigned or deceased independent member, as well as on an extraordinary basis, whenever required, and submit proposals to the Board of Directors as to the appropriate actions to be taken.

Special practice 2.4.13.

There is no restriction on the vesting of any options for executive directors, as they are subject to the applicable plans for which publicity is provided.

Special practice 2.4.4.

The liability of the members of the Board of Directors of the Company is defined in article 102 of Law No. 4548/2018.

### **3. THIRD - FUNCTIONING OF THE BOARD OF DIRECTORS**

Special practices 3.1.5, 3.2.1 & 3.2.2.

The Board of Directors may appoint a qualified and experienced company secretary. The appointment of a company secretary is not mandatory, as the basic duties of the company secretary are fully serviced by other departments of the Company. However, if appointed, the Company Secretary shall be responsible for keeping the minutes of the meetings of the Board of Directors and its Committees. Its responsibilities are set out in the Company's internal regulations.

Special practices 3.3.3 - 3.3.5 & 3.3.12.

In accordance with the Company's policy on the suitability of the members of the Board of Directors, the Company monitors on a continuous basis the suitability of the members of the Board of Directors (individual and collective) both on a regular basis (regular evaluation) and on an ad hoc basis. Monitoring the implementation of the Suitability Policy is the responsibility of the Board of Directors collectively. The Board of Directors is assisted by the Nomination and Remuneration Committee, which follows and implements the Suitability Policy within the framework of its relevant responsibilities, organizes the annual self-evaluation of the Board of Directors based on the criteria of the approved Suitability Policy and makes proposals for its harmonization with the corporate governance framework, the corporate culture and the risk appetite defined by the Company. The Internal Audit unit also assists in this process. The Board of Directors conducts an annual self-evaluation of the Board of Directors as a whole and of each individual part, in accordance with the procedure provided by the Company, which is initiated and organized by the Nomination and Remuneration Committee.

Special practice 3.3.11

Members shall participate actively in the meetings of the Governing Board. There is no requirement to disclose information about each director in the corporate governance statement.

Special practices 3.3.13 - 3.3.14.

The re-evaluation of the suitability of the members is deemed necessary: a) when doubts arise regarding the individual suitability of the members of the Board of Directors or the suitability of the composition of the body, b) in case of a significant impact on the reputation of a member of the

Board of Directors and c) in any event that may significantly affect the suitability of a member of the Board of Directors, including cases in which the members do not comply with the Conflict of Interest Policy.

Special practices 3.3.15 - 3.3.16.

The Governing Board shall record the results of the assessment of suitability and in particular any shortcomings identified between the intended and actual individual and collective suitability, and measures to be taken to address these shortcomings.

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## Part B – COMPANY INTEREST

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### **4.FOURTH SECTION - OBLIGATION OF LOYALTY & CONTROL.**

Special practice 4.3.

All members of the Board of Directors actively participate in the meetings and make objective, correct and independent decisions and judgments, considering the recommendations or opinions of independent bodies or committees or services operating in the Company.

Special practice 4.5.

In accordance with the Company's suitability policy, professional commitments of board members (including significant non-executive commitments to companies and non-profit institutions) are evaluated after their disclosure as part of the candidate evaluation process and are henceforth considered in the context of the board evaluation.

### **5.FIFTH MODULE - SUSTAINABILITY**

Special practice 5.4.

The Company complies with the legislation on corporate governance and complies with its obligations in this context.

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## Part C – INTERNAL CONTROL SYSTEM

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### **6. SIXTH MODULE - INTERNAL CONTROL SYSTEM.**

Special practice 4.3.

All members of the Board of Directors actively participate in the meetings and make objective, correct and independent decisions and judgments, considering the recommendations or opinions of independent bodies or committees or services operating in the Company.

### **7. SEVENTH SECTION - GENERAL ASSEMBLY.**

Special practices 7.5 - 7.6.

The general meeting of the Company's shareholders is conducted in accordance with the applicable provisions. The notice of the general meeting shall include the information required according to Law no. 4548/2018 and is published in the manner prescribed by law, for companies with shares listed on the Athens Exchange. To the extent that the shareholders' questions on agenda items are not answered during the general meeting, the Company may request their submission in writing and reserve the right to answer them after the conclusion of the meeting, always considering the rights of minority shareholders, as defined in Law No. 4548/2018.

#### **Practices implemented by the Company in addition to the provisions of the Law.**

The responsibilities of the Chairman are expressly established by the Board of Directors and are described in the Company's Regulations of Operation which are updated, issued, and approved by the Board of Directors and are posted on the Company's website [www.epsilonnet.gr](http://www.epsilonnet.gr)

The Board of Directors, considering the size, nature, scope, and complexity of the Company's activities, has defined and oversees the implementation of the Company's corporate governance system which includes an adequate and effective Internal Audit System (IAS).

The Chairman of the Board of Directors is available to meet with shareholders of the Company and discuss with them issues related to the governance of the Company. The Chairman shall ensure that the views of shareholders are communicated to the Board of Directors.

The Audit Committee shall ensure the functioning of the internal audit unit and the implementation of an internal control framework in accordance with international standards for the professional



application of internal control and best practices. The Regulation of Operation sets out the framework for ensuring the independence and objectivity of its internal auditors.

**b) Description of the main features of the company's internal control and risk management systems in relation to the process of preparing the financial statements.**

The Company has established and applied a procedure for the issuance of the financial statements (consolidated and corporate) and the Financial Report. The Group companies enter their transactions in their information systems and the consolidation application is updated by automated procedures. A cross-check of data is carried out and the items to be eliminated (intra-group transactions, receivables, and payables, etc.) are checked. The consolidation entries are made, and the financial statements and information tables included in the Financial Report are issued. Once the audit procedures have been completed, the Financial Report containing the financial statements is submitted to the Board of Directors for approval. Prior to the approval by the Board of Directors, the Audit Committee has reviewed the Financial Report to assess its completeness and consistency with the information brought to its attention and with the accounting principles applied by the Company and informs the Board of Directors accordingly. The main features of the internal control and risk management system applied by the Company in relation to the preparation of the financial statements and the Financial Report are:

- Adequacy of knowledge, qualifications and availability of the staff involved.
- The existence of updated procedures related to the issuance of financial statements and an appropriate timetable.
- Use of information systems for financial statements and financial reporting, linked to the Company's ERP, accessible with distinct roles and rights of use to all consolidated Group companies.
- The existence of safeguards relating to the security of the information systems used.
- Regular communication between the Independent Auditors and the Management and the Audit Committee.
- Regular communication of the Audit Committee members with the Chief Financial Officer and the Head of the Internal Audit Unit.

- Confirmation by the Board of Directors that the independence requirements of the independent members of the Board of Directors are fulfilled at least on an annual basis and in any case before the publication of the annual financial report.
- The BoD confirmed that they meet the independence criteria of article 9 of Law 4706/2020, as well as the independence criteria set out in the approved Board Member Suitability Policy.
- The existence of a single accounting plan for all Group companies and its centralized management.

**Report on the Evaluation of the Adequacy and Effectiveness of the Internal Audit System, based on the provisions of Law 4706/2020 and the relevant decisions of the Hellenic Capital Market Commission**

About the Competence Assessment & Effectiveness of the Internal Audit System, following the evaluation of the relevant offers and proposals of the CEO's Office, the Audit Committee recommended to the Board of Directors the assignment of the relevant evaluation of the Internal Audit System of the Parent Company and its significant subsidiaries, with a reporting period from 17.7.2021 to 31.12.2022 to the audit firm "PKF EUROLEGTIKI S.A."

The Company, by decision of its Board of Directors, entrusted to "PKF EUROELECTRONICS SA" (Independent Auditor) the assessment of the adequacy and effectiveness of the Internal Control System ("ICS") of the Company and its significant subsidiaries, with a reporting date of 31/12/2022, in accordance with the provisions of section j, par. 3 and par. 4 of article 14 of Law 4706/2020 and Decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, as in force. The Independent Auditor's work was performed in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than an Audit or Review of Historical Financial Information. The conclusion of PKF EUROELECTRIC, which is included in the final report evaluating the adequacy and effectiveness of the ICS dated 29/03/2023 states the following: "Based on our work, as described above under "Scope of Work Performed", and the evidence obtained, on our assessment of the adequacy and effectiveness of the ICS of the Company and its significant subsidiaries as at 31 December 2022, nothing has come to our attention that might be considered a material weakness in the ICS of the Company and its significant subsidiaries in accordance with the Regulatory Framework."

**c) Information required under cases c', d', f', h' and i' of par. 1 of Article 10 of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.**

The Company is not subject to this Directive.

**(d) Composition and functioning of the administrative, management and supervisory bodies and their committees.**

d. 1. General Meeting of the Company.

The General Meeting of the Company's shareholders is the supreme body of the Company and is entitled to decide on any matter concerning the Company. Its legal decisions are also binding on the shareholders who are absent or dissenting. The General Meeting is the only one competent to decide on: a) Amendments to the Articles of Association. The following are considered as amendments increases, regular or extraordinary, and decreases of the capital; b) The election of members of the board of directors and auditors; c) The approval of the overall management according to article 108 of the Law. 4548/2018 and the discharge of the auditors; d) The approval of the annual and consolidated financial statements; e) The allocation of the annual profits; f) The approval of the provision of fees or advance fees in accordance with article 109 of Law No. 4548/2018; g) The approval of the remuneration policy of article 110 and the remuneration report of article 112 of Law No. 4548/2018, η) The merger, division, conversion, revival, extension of the duration or dissolution of the company and i) Appointment of liquidators.

The General Meeting must meet at the company's registered office or in the district of another municipality within the district of the registered office or another municipality adjacent to the registered office at least once every financial year, at the latest by the tenth (10th) calendar day of the ninth month following the end of the financial year, in order to decide on the approval of the annual financial statements and the election of auditors (ordinary general meeting). The Ordinary General Meeting may decide on any other matter within its competence. The General Assembly may also meet in the district of the municipality where the headquarters of the Athens Exchange is located. The General Meeting, without prejudice to par. 2 of Art. 121 of Law 4548/2018 shall meet in extraordinary session whenever the board of directors deems it appropriate or necessary (extraordinary general meeting).

The General Meeting, except for recurring General Meetings and those assimilated to them, must be convened at least twenty (20) days before the date set for its meeting, including non-working

days. The day of publication of the notice of the general meeting and the day of its meeting shall not be counted. In the case of a reconvened general meeting, the notice shall be published at least ten (10) full days in advance. However, no further notice is required if the original notice had already set the time and place of the reconvened meeting, provided that at least five (5) days elapsed between the cancelled meeting and the reconvened meeting. The General Assembly shall be convened by the Board of Directors. The General Meeting may also be convened at the request of the minority, in accordance with Art. 29 of these Articles of Association. The company's auditor may also request the convening of a General Meeting by submitting a request to the Chairman of the Board of Directors. This meeting must be convened by the Board of Directors within ten (10) days of the service of the request and shall have as its agenda the matters contained in the request.

A call for a General Meeting is not required if shareholders representing the entire capital are present or represented at the meeting and none of them opposes the holding of the meeting and the adoption of resolutions (universal general meeting). The invitation to the General Meeting is published upon its registration in the Company's register at the General Electronic Commercial Registry (G.E.M.I). In addition to the publication of the invitation in the General Electronic Commercial Registry (G.E.M.I), the full text of the invitation shall be published within the time limit set out in par. 1 of this Article and on the company's website, and shall be made public within the same time limit in a manner that ensures rapid and non-discriminatory access to it, by means that, in the judgment of the Board of Directors, are deemed reasonably reliable for the effective dissemination of information to the investing public, such as in particular by print and electronic media. Ten (10) days before the Annual General Meeting, the company makes available to its shareholders its annual financial statements, as well as the relevant reports of the Board of Directors and the auditors. The company fulfils this obligation by posting the relevant information on its website.

The general meeting (initial meeting and reconvened meeting) may be attended by the person who has the shareholding status at the beginning of the fifth day before the day of the initial meeting of the general meeting (record date). The above record date shall also apply in the case of an adjourned or reconvened meeting, provided that the adjourned or repeated meeting is not more than thirty (30) days from the record date. If this is not the case or if in the case of a reconvened general meeting a new invitation is published, in accordance with the provisions of Art. 130 of L. 4548/2018, the person who is a shareholder at the beginning of the third day prior to the day of the adjourned

or reconvened general meeting shall participate in the general meeting. Proof of shareholding may be provided by any legal means and in any case since information received by the company from the Central Securities Depository (CSD) if it provides registry services or through the participants and registered intermediaries in the CSD in any other case. The shareholders may participate in the general meeting in person or by proxy. The members of the board of directors and the company's auditors are also entitled to attend the general meeting. The chairman of the general meeting may, under his/her responsibility, allow the presence at the meeting of other persons, who are not shareholders or shareholder representatives, if this is not contrary to the interests of the company. Such persons shall not be deemed to participate in the meeting for the sole reason that they spoke on behalf of a shareholder present or at the invitation of the chairman.

The General Meeting is quorate and meets in a valid manner on the items on the agenda when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented. If such a quorum is not achieved, the general meeting shall reconvene within twenty (20) days from the date of the cancelled meeting, following at least ten (10) full days' notice, unless the procedure of Art. 20 par. 1 last subpar. of this Article. This reconvened general meeting shall constitute a quorum and shall meet in session for the items on the original agenda, whatever the proportion of the paid-up share capital represented at the meeting. The decisions of the general meeting are taken by an absolute majority of the votes represented at the meeting. Exceptionally, the general meeting is quorate and meets validly on the items on the agenda, when shareholders representing at least half (1/2) of the paid-up share capital are present or represented at the meeting, when decisions are concerned: a) the change in the nationality of the company; b) the change in the scope of the business; c) the increase in shareholders' liabilities; d) the regular increase in the share capital, unless required by law or made through the capitalization of reserves; e) the reduction of the share capital, unless made in accordance with par. 5 of Art. 21 or par. 6 of Art. 49 of L. 4548/2018; f) the change in the way of profit distribution; g) the merger, division, transformation, revival, extension of the duration or dissolution of the company; h) the granting or renewal of authority to the Board of Directors to increase the share capital, in accordance with par. 1 of Art. 24 of L. 4548/2018; and i) in any other case specified by law that the general meeting decides with an increased quorum and majority. If the quorum referred to in the previous paragraph is not reached, a new general meeting shall be convened within twenty (20) days of the meeting that was cancelled, convened at least ten (10) days in advance. This reconvened general meeting

shall constitute a quorum and meet validly on the items on the original agenda, when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented. No further notice is required if the original notice had already set the time and place of the reconvened meeting, provided that at least five (5) days elapsed between the cancelled meeting and the reconvened meeting. Decisions on the matters referred to in par. 1 of this Article shall be taken by a two-thirds (2/3) majority of the votes represented at the meeting.

The discussions and decisions of the General Meeting are limited to the items on the agenda. At the general meeting the voting is open. The general meeting by open vote may decide that voting on any or all items on the agenda shall be by secret ballot. Voting by secret ballot is not permitted in cases where remuneration is paid to board members, and where the law requires open voting. The discussions and decisions taken at the general meeting shall be summarized in a special minute book. A list of the shareholders present or represented at the general meeting shall be entered in the same book. At the request of a shareholder, the chairman of the general meeting is obliged to record a summary of his/her opinion in the minutes. Copies of the minutes of the general meeting, for which there is an obligation to register them in the G.E.M.I., according to Art. 12 of L. 4548/2018 or other provisions, are submitted to the competent G.E.M.I. department within twenty (20) days from the meeting of the general meeting. Copies and extracts of the minutes shall be certified by the Chairman of the Board of Directors or his/her legal representative.

#### δ.2. Composition and functioning of the Board of Directors of the other administrative, supervisory bodies and committees of the Company.

##### **Board of Directors.**

The members of the Board of Directors of the Company, their status and their CVs are posted on the Company's website. The Company is governed by a Board of Directors consisting of ten (10) members to ensure diversity of gender, age, knowledge, qualifications, experience that serve the Company's objectives and a balance between executive and non-executive members. Of the members of the Board of Directors, six (6) are executive members, one (1) is a non-executive member and three (3) are independent non-executive members. The status of the members of the Board of Directors as executive or non-executive shall be determined by the Board of Directors. The members of the Board of Directors are elected by the General Meeting, except in the case of the

election of a member of the Board of Directors to replace another member who has resigned, died, or lost his/her membership of the Board of Directors in any other way, by the other members of the Board of Directors, in accordance with Art. 12 par. 1 of the Articles of Association. The term of office of the members of the Board of Directors is five (5) years and, exceptionally, it may be extended until the expiry of the period within which the next Ordinary General Meeting must be convened; and until the relevant decision is taken, which may not exceed six (6) years. Members of the Board of Directors may be freely re-elected. The General Meeting directly elects the independent members of the Board of Directors. The General Meeting shall determine the type of Audit Committee, its term of office, the number, and qualities of its members.

Furthermore, at the above General Meeting of 30/06/2021 a new ten (10) member Board of Directors was elected, with a four (4) year term of office, namely until 30/06/2025, which is exceptionally extended until the expiry of the period within which the next ordinary General Meeting must be convened.

Subsequently, the Board of Directors of the company, by its unanimous decision of 30/05/2022, elected Mr. Mani Panteleimon, son of Anastasios, Independent non-executive member, and Vice-Chairman of the Board of Directors, in replacement of the resigned Mr. Spyridon Avdimiotis for a term of office expiring on the date of the next General Meeting in accordance with the provisions of Art. 9 par. 4 of Law 4706/2020.

At the Ordinary General Meeting of the Company's Shareholders of 30/06/2022, Pantelis Manis, son of Anastasios, was elected as a new independent non-executive member of the Board of Directors with a term of office until 30/06/2025, after it was established that he fulfils all the criteria of individual eligibility under the Company's Eligibility Policy, as well as the criteria of independence according to par. 1 and 2 of Art. 9 of Law 4706/2020, and there are no impediments or incompatibilities.

Subsequently, the Board of Directors of the Company, by its decision of 30/06/2022, taking into account that the above has proven to have sufficient knowledge in the sector in which the Company operates, re-elected him as Independent Non-Executive Director and Vice-Chairman of the Board of Directors, i.e., until 30/06/2025.

The Board of Directors is constituted as follows:

1. IOANNIS MICHOS, son of NIKOLAOS and GEORGIA, Chairman of the Board and CEO, Executive Member,
2. PANTELIS MANIS, son of ANASTASIOS and SOFIA, Vice Chairman of the Board, Independent Non-Executive Member,
3. VASILIKI ANAGNOSTOU, daughter of DIMITRIOS and KATINA, Deputy CEO, Executive Member,
4. IOANNIS KOUTKOUDAKIS, son of ANTONIOS and ELENI, Executive Member,
5. VASILEIOS PRASSAS, son of GAVRIIL and IFIGENEIA, Executive Member,
6. PASCHALIS MICHALOPOULOS, son of GEORGIOS and VARVARA, Executive Member,
7. ANDREAS GRIMPELAS, son of DIMITRIOS and EFTHALEIA, Executive Member,
8. AIKATERINI DASKALOPOULOU, daughter of GEORGIOS and DESPOINA, Non-Executive Member,
9. NIKOLAOS KOMNINOS, son of ZACHARIAS and MARINA, Independent Non-Executive Member and
10. ELEFThERIOS KARAMPINAS, son of MICHAIL and MELACHROINI, Independent Non-Executive Member.

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## Cvs of the members of the Board of Directors.

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### **Ioannis Michos**

Mr. Ioannis Michos, son of Nikolaos, is the Founder, Chairman and CEO of Epsilon Net Group of Companies. He graduated from the School of Higher Industrial Studies of Thessaloniki and holds a master's degree in Banking Finance. He is a Member of the Association of International Accountants (AIA). After graduation he worked for several years as an Economist-Financial and Tax Consultant for large companies. He was a business consultant and financial analyst specializing in financial organization, analysis, and budgeting. He also has expertise in the organization and management of financial services. Since 1997, he edits and directs the scientific team of the distinguished economic journal EPSILON 7. In addition to his business activities, he has authored five financial books and



various financial articles and analyses. At the same time, he was a member of the Board of Directors of the Federation of Industries of Northern Greece (FING) and Vice-Chairman of the Association of Société Anonymes and Limited Liability Companies. He is also distinguished for his teaching experience. From 1997 to date, he has done over 2000 hours of teaching in seminars on economic and tax issues. He was also a scientific collaborator of the Technological Education Institute of Serres. He has been awarded the prize of "Innovative Entrepreneur of Greece" in the Ernst & Young Entrepreneur of the Year competition.

### **Vasiliki Anagnostou**

Ms. Vasiliki Anagnostou, daughter of Dimitrios, is the General Manager and Deputy CEO of Epsilon Net Group S.A. She is an Economist, holds a master's degree "MBA in Accounting" from the University of Athens and is a member of the Association of International Accountants (AIA). At Epsilon Net, she served as Support Manager until 2007 and Production Manager until 2010. She has worked as a business consultant and financial analyst with knowledge of all computer systems and tools. She is an executive with high expertise in information systems and specialization in Audit, Tax, Labor Law, and Human Resources Management. She is a member of the scientific team of Epsilon Net, while she is also a significant author of the book "Practical Labour & Insurance Issues" and as a columnist in the financial magazine Epsilon 7. She is a lecturer in specialized seminars of the National and Kapodistrian University of Athens, while she is also a key speaker in informative and educational events on payroll and HR issues. In 2012, 2013, 2014 she was one of the three finalists in the National Customer Service Awards in the category "Manager of the Year". A milestone for her is Epsilon Net's award as "Best Work Environment" of Best Workplaces, as the executive who designed and implemented the transformation of the corporate philosophy by putting the employee at the center.

### **Ioannis Koutkoudakis**

Mr. Ioannis Koutkoudakis, son of Antonios, has been the Chief Financial Officer of Epsilon Net S.A. since July 1, 2013, while he also holds the position of Director of Investor Relations (DIR). He has held the position of Vice Chairman of the Board of Directors and General Manager since 19 June 2008 and has also served as Director of Production. He holds a degree in Economics from the

University of Macedonia, an MBA in Accounting from the University of Athens, is a member of the Association of International Accountants (AIA) and has attended a series of seminars on IT systems, project management and tax workshops. In the past, he was Head of Accounting and external consultant to various companies. He has published scientific and economic articles and specializes in income tax, general accounting, VAT and has participated in seminars on accounting and tax issues. He joined Epsilon Net SA in 1998.

### **Vasileios Prassas**

Mr. Vasileios Prassas, son of Gavriil, Economist & Consultant on Labour Issues. In 2005 he started working with Epsilon Net, as Head of Analysis of Payroll Applications & HR. From 2009 to 2011 he held the position of Payroll Applications Manager & HR and until today he is the Scientific Officer of Epsilon Net in matters of labour & insurance legislation. In 2010 he took over the Support Division of Epsilon Net. In 2011 he was assigned to the Commercial Management of the Business Units Epsilon Network & Epsilon Training. Since mid-2012 he took over the Sales Department and since March 2014 he is the General Commercial Director of Epsilon Net Group of Companies. He is a member of the Board of Directors of Epsilon Net, a member of the Scientific Team of Epsilon Net and responsible for the editorial team of the "Epsilon Payroll" insert of the monthly magazine Epsilon 7. He is the author of the books "Legislation & Payroll, from Theory to Practice" (10,000 copies), the Practical Guide "An Employer's Guide to Your Services" and the e-magazine "HR Pylon" which has more than 2,500 readers.

He is a lecturer of specialized seminars on Payroll & HR and is the main lecturer of the National Kapodistrian University of Athens in the seminar "Practical Payroll Office".

### **Paschalis Michalopoulos**

Mr. Paschalis Michalopoulos, son of Georgios, is a graduate of the Law Department of the Faculty of Law and Economics of the Aristotle University of Thessaloniki. He has been a member of the Thessaloniki Bar Association since 1994 and specializes in the field of Civil and Commercial Law, with equally important judicial experience in the Law of Enforcement. He also has many years of significant experience in criminal cases. He worked as a lawyer-external associate in various public limited companies. He has been a lawyer and legal advisor of EPSILON NET SA since 2012 and a

member of the Board of Directors since 2014. He is the author of the book "The Guide to Limited Liability Companies" published in 2019 and has published several scientific articles on topics mainly based on civil and commercial law.

### **Andreas Grimpelas**

Mr. Andreas Grimpelas is the Chief Technology Officer (CTO) of Epsilon Net. Mr. Grimpelas has many years of experience in designing and implementing software for SME, ERP, Retail, CRM, etc., in large companies in the IT sector in Greece. He was Software Platforms Unit Manager at SingularLogic, where he designed the Galaxy application platform. He also served as Technical Director at the Advice Company, while for several years he was Platform Manager and R&D Developer at Unisoft Company, where he participated in the design and implementation of ERP Atlantis, as well as of the product KEFALAIO/3. He started working with Epsilon Net in 2013, where he took over the design and implementation of the new PYLON application platform. He has been a member of the Board of Directors of the Company since November 2014.

### **Aikaterini Daskalopoulou**

As a member of the company's Board of Directors since the beginning of 2020, Mrs. Aikaterini Daskalopoulou, daughter of Georgios, has participated without fail, showing great diligence, in the introductory training program that the company applies for all new members of the Board of Directors, for the company's business model, for the issues of its business sector and the strategy it applies in combination with the most important business and financial risks it is called upon to face. During her tenure on the Board of Directors of the Company, she participated in the analysis of software applications developed by the Company related to e-invoicing. The abovementioned person studied at the Department of Architectural Engineering of the Faculty of Engineering of the Aristotle University of Thessaloniki. (1991-1997). During this period, she participated in a 6-month inter-university program at the Faculty of Architecture, Department of Urban Planning Applications, University of Venice. Since 1998 she has been practicing as an Architectural Engineer, has worked in various architectural offices, since 2007 she has been running an architectural office, having undertaken the design and supervision of various construction projects and has participated as a consultant in numerous projects for energy transition and digital transformation of businesses.

### **Nikolaos Komninos**

Mr. Nikolaos Komninos, son of Zacharias, is a graduate of the London School of Economics in Business Administration and the University of Pennsylvania with a double degree in Computer Science and Psychology Science. He is currently the Commercial Director of Project Agora in the European sector, and among other positions he has served as Financial Director of the startup company Giaola IKE, Managing Director of Intale Inc and IPG Mediabrands, General Manager and Executive Director of ICAP Group in Athens, Sales and Marketing Director and Commercial Planning Director at Hyundai Hellas. He participated in the Organizing Committee for the Athens 2004 Olympic Games, supervising the tender process for the provision of technology services for the creation of the main website of the event.

### **Pantelis Manis**

Mr. Pantelis Manis graduated from the Department of Business Administration of the University of Macedonia, obtained an MBA Certificate from the Institute of Management and Entrepreneurship of Southeastern Europe (IMESE), (Business School of the Association of Industries of Greece), while he holds an EXECUTIVE DIPLOMA IN MANAGEMENT from the Chartered Management Institute, UK.

He has more than 25 years of experience in sectors such as Food and Agricultural products, in the Capital Market sector, in the Energy sector and with a significant contribution to the creation of the Hellenic Energy Exchange, while he served for three years as a non-executive member of the Board of Directors of EDA THESS, Natural Gas Distribution Company of Thessaloniki-Thessaly.

During his many years of work at the Athens Exchange Group as Head and Director of the Thessaloniki Stock Exchange Center, he was involved in important and diversified projects, such as

- the admission of companies established in Northern Greece to the CSE markets
- the admission of companies established in South-Eastern Europe (Mermeren Combinat), and in International Technical Assistance and Development Cooperation projects funded by National and International resources.

He was CEO of the Hellenic Sugar Industry Group in 2016-2017, where he succeeded in making the Group profitable after a period of 10 years of continuous losses.

### **Eleftherios Karampinas**

Mr. Eleftherios Karampinas, son of Michael, is an Economist and a graduate of the University of Macedonia in Economics of Business Administration. He holds a professional certification as a Chartered Accountant from the Institute of Chartered Accountants (IESOEL) and holds a specialized diploma in the application of International Financial Reporting Standards (IFRS) from the Institute of Chartered Accountants of England and Wales. He has held the positions of Chief Financial Officer at Tsakiris Family Foods, Head of Accounting and Audit Department at Zouros Group Shipping Companies and Senior Associate at PwC Greece in the field of auditing of shipping companies. Mr. Karampinas, both in his basic studies and especially during his training for the professional certification of the Chartered Accountant, has received comprehensive knowledge of audit procedures and the use of information systems during the audit process. His professional experience at PwC Greece ensures the existence of critical audit experience in both the planning processes and their execution, while his many years of involvement with the information systems of private companies from the position of Financial Director, Certified Public Accountant and through the company he is active in business and participates in its Management, gives him the ability to fully understand the scope of the Company and to fully manage the specialized business and technical aspects of the company's operations. At the same time, he has many years of business experience in the IT industry since 2016. Specifically, he is a 50% partner in Seldi Group IKE, a company that deals with Self-Produced Software for the fuel and commercial sectors of the economy. In addition, Mr. Karampinas, as Chairman of the Audit Committee, meets the independence requirements of the provisions of Art. 4 of Law 3016/2002 from his election to date.

### **Role and responsibilities of the Board of Directors.**

The Board of Directors is responsible for the administration and representation of the Company and the management of its assets. It decides on all general issues concerning the Company, within the framework of the corporate purpose, apart from those which, according to the Law and the Articles of Association, belong to the exclusive competence of the General Meeting. All the powers of the Board of Directors are subject to the articles on non-competition and contracts with members of

the Board of Directors of L. 4548/2018 and L. 4706/2020 as in force. The Board of Directors may exclusively and only in writing, delegate the exercise of all its powers and responsibilities, except those requiring collective action, as well as the representation of the Company, to one or more persons, members of the Board of Directors, directors, and employees of the Company or third parties, specifying at the same time the extent of this delegation. The members of the Board of Directors may be granted remuneration or compensation, the amount of which shall be approved by the Ordinary General Meeting by special resolution.

**Responsibilities of the Chairman of the Board of Directors.**

The Chairman of the Board of Directors coordinates the functioning of the Board of Directors and presides over it. He/she is responsible for convening the Board of Directors, determining the agenda of its meetings and ensuring the proper organization of its work and the efficient conduct of its meetings. Ensure that the members of the Board of Directors receive timely and accurate information, with a view to the fair and equitable treatment of the interests of all shareholders, the maximization of the return on investment and the protection of the Company's assets. Coordinates the implementation of the Company's corporate governance system and its effective implementation. The Board of Directors shall elect its Chairman from among its members. When he/she is absent or prevented from attending, the Vice-Chairman shall deputize for him to the full extent of his executive powers and the Independent Vice-Chairman shall deputize for him/her when he/she is prevented from attending or absent.

**Responsibilities of the (independent non-executive) Vice-Chairman of the Board of Directors.**

The Independent Vice-Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in all his/her functions, except for his/her executive functions, when he/she is absent or indisposed. The Independent Vice-Chairman is responsible for the coordination and effective communication of the executive and non-executive members of the Board of Directors. He/she also chairs the evaluation of the Chairman carried out by the members of the Board of Directors as well as the meetings of the non-executive members of the Board of Directors.

**Responsibilities of the CEO.**

The CEO monitors and controls the implementation of the Company's strategic objectives and the management of the Company's affairs and sets the Company's guidelines. It supervises and ensures its smooth, orderly, and effective operation, in accordance with its strategic objectives, operational plans and action plan, as determined by decisions of the Board of Directors and the General Meeting. The functions of the Chairman and the Chief Executive Officer may be identical in the same person. The CEO participates in and reports to the Board of Directors of the Company and implements the strategic choices and major decisions of the Company. The Board of Directors of the Company may elect one of its members as Deputy CEO. The responsibilities of the Deputy CEO may relate to the responsibilities and competencies of the CEO such as strategic decision making and the setting of relevant objectives as well as the coordination and supervision of the individual Directorates of the Company. In addition, the Deputy Managing Director replaces the Managing Director in case of his/her absence or incapacity.

**Executive, non-executive and independent non-executive members of the Board of Directors.**

The executive members of the Board of Directors deal with the day-to-day management of the Company and supervise the execution of the decisions of the Board of Directors. The executive members of the Board of Directors shall, in particular: a) be responsible for the implementation of the strategy defined by the Board of Directors; and b) consult regularly with the non-executive members of the Board of Directors on the appropriateness of the strategy implemented. In situations of crisis or risk, as well as when circumstances require measures to be taken that are reasonably expected to have a significant impact on the Company, such as when decisions are to be taken regarding the development of the business and the risks assumed, which are expected to affect the financial position of the Company, the executive members shall inform the Board of Directors, either jointly or separately, in writing and without delay, submitting a report containing their assessments and proposals to the Board of Directors.

The non-executive members of the Board of Directors, including the independent non-executive directors, monitor and review the Company's strategy and its implementation and the achievement of its objectives, ensure effective supervision of the executive directors, including monitoring and reviewing their performance, and review and express opinions on proposals submitted by the executive directors based on existing information.

A non-executive member of the Board of Directors is considered independent if, at the time of his appointment and during his/her term of office, he/she does not directly or indirectly hold more than zero point five percent (0.5%) of the voting rights of the Company's share capital and is free from financial, business, family or other types of dependencies that may influence his decisions and his independent and objective judgment.

### Functioning of the Board of Directors

The operation of the Board of Directors is described in detail in the Regulations of the Board of Directors of the Company.

The Board of Directors met (42) times in the year 2022. At the meetings of the Board of Directors that had as their subject the preparation of the financial statements of the Company or whose agenda included matters for the approval of which the General Meeting of Shareholders was required to adopt a decision with increased quorum and majority, in accordance with L. 4548/2018, the Board of Directors was quorate and at least two (2) independent non-executive members were present.

Full name	Capacity	Participation in Meetings
MICHOS IOANNIS of NIKOLAOS	Chairman of the Board and Managing Director	41
ANAGNOSTOU VASSILIKI of DIMITRIOU	Deputy Managing Director	41
ABDIMIOTIS SPYRIDON of KONSTANTINOS	Vice Chairman of the Board, Independent Non-Executive Member, until 29/05/2022	20
MANIS PANTELEIMON of ANASTASIOS	Vice Chairman of the Board, Independent Non-Executive Member as of 30/05/2022	20
KOUTKOUDAKIS IOANNIS of ANTONIOS	Executive Member of the Board of Directors	41
PRASSAS VASSILIOS of GAVRIIL	Executive Member of the Board of Directors	42
MICHALOPOULOS PASCHALIS of GEORGIOS	Executive Member of the Board of Directors	42
GRIBPELAS ANDREAS of DIMITRIOS	Executive Member of the Board of Directors	42
AIKATERINI DASKALOPOULOU of GEORGIOS	Non-Executive Member of the Board of Directors	41
KOMNINOS NIKOLAOS of ZACHARIA	Independent Non-Executive Member of the Board of Directors	41
KARAMPINAS ELEFThERIOS of MICHAEL	Independent Non-Executive Member of the Board of Directors	41



The functioning of the Board of Directors is supported by two Committees: The Audit Committee and the Nomination and Remuneration Committee.

### **Audit Committee.**

The Audit Committee operates in accordance with Art. 44 of L. 4449/2017 as amended by Art. 74 of L. 4706/2020, Art. 10, 15 and 16 of L. 4706/2020 and EU Regulation No. 537/2014, the Greek Corporate Governance Code that the Company has voluntarily adopted and the provisions of the Company's Regulations of Operation. The members of the Company's Audit Committee, their status and CVs are posted on the Company's website. The Audit Committee has specific responsibilities and competencies regarding the oversight of the regular audit, the financial reporting process, the internal control system, compliance and risk management, the oversight of the Internal Audit Department and sustainable development.

The Annual General Meeting of the Shareholders of "EPSILON NET S.A." of June 30, 2021 decided: a) the Audit Committee to be a Committee of the Board of Directors; b) the Audit Committee to consist of three (3) non-executive members of the Board of Directors, the majority or all of whom will be independent (non-executive members) who meet the independence requirements of Art. 4 of L. 3016/2002, as well as article 9 of Law No. 4706/2020; c) the members of the Audit Committee are appointed by the Board of Directors; and d) the Chairman of the Committee is appointed by the members of the Committee and is an independent non-executive member of the Board of Directors.

The Remuneration and Nomination Committee of the company at its meeting held on 26/05/2022 unanimously recommended the election of Mr. Pantelis Manis, son of Anastasios, as a new independent non-executive member of the Board of Directors and as a new member of the Audit Committee to replace the resigned Mr. Spyridon Avdimiotis. Subsequently, the Board of Directors of the company, by its unanimous decision of 30/05/2022, initially elected Mr. Panteleimon Manis, son of Anastasios, Independent non-executive member and Vice-Chairman of the Board of Directors and subsequently as a new member of the Audit Committee, replacing the resigned Mr. Spyridon Avdimiotis for a term of office expiring on the date of the next General Meeting in accordance with the provisions of Art. 9 par. 4 of Law 4706/2020.

At the Ordinary General Meeting of the Company's Shareholders of 30/06/2022, Pantelis Manis, son of Anastasios, was elected as a new independent non-executive member of the Board of Directors with a term of office until 30/06/2025, after it was established that he fulfils all the criteria of individual eligibility under the Company's Eligibility Policy, as well as the criteria of independence according to par. 1 and 2 of Art. 9 of Law 4706/2020, and there are no impediments or incompatibilities.

Subsequently, the Board of Directors of the Company, by its decision of 30/06/2022, taking into account that the above has proven to have sufficient knowledge in the sector in which the Company operates, elected him as a new member of the Audit Committee for a term of office until the expiry of the term of office of the Board of Directors, i.e. until 30/06/2025 (the term of office being extended until the expiry of the period within which the next Ordinary General Meeting of the Company's Shareholders must be convened and until the relevant resolution is adopted).

Following the above election of Mr. Pantelis Manis, son of Anastasios, as a new member of the Audit Committee in replacement of the resigned member, Spyridon Avdimiotis and for a term of office until 30/06/2025, the Audit Committee by unanimous decision is reconstituted as follows:

1. ELEFThERIOS KARAMPINAS, son of MICHAEL, Chairman,
2. PANTELEIMON MANIS, son of ANASTASIOS, Member and
3. AIKATERINI DASKALOPOULOU, daughter of GEORGIOS, Member.

The Audit Committee shall have full and unimpeded access to the information it needs in the exercise of its responsibilities and shall have the resources necessary to carry out its work. Its responsibilities are defined taking into account, in addition to the applicable legal framework, the specific circumstances and needs of the Company, such as its size, ownership structure, organizational complexity, risk profile and the specificities of the relevant market. In order to fulfil its purpose, its main responsibilities are the following:

- It is responsible for the selection process of the regular auditor and makes proposals to the Board of Directors regarding the appointment, reappointment and removal of the regular auditor, as well as for the approval of the remuneration and terms of employment of the regular

auditor under article 44 "Audit Committee" of the L. 4449/2017 and Art. 16 of Regulation (EU) 537/2014 to be approved by the General Meeting.

- It shall review and monitor the independence of the regular auditor and the objectivity and effectiveness of the audit process.
- It reviews the financial reports before their approval by the Board of Directors in order to assess their completeness and consistency with the information brought to its attention and with the accounting principles applied by the Company and informs the Board of Directors accordingly.
- It holds meetings with the Management during the preparation of the financial reports as well as with the auditor during the planning and audit stage, during the execution of the audit and during the preparation of the audit reports.
- It is informed about the process and timing of the preparation of financial reporting by the management and the annual statutory audit program by the auditor.
- It receives from the regular auditor a supplementary report based on article 11 of Regulation (EU) 537/2014, which includes the results of the statutory audit and any weaknesses of the internal control system, in particular, the weaknesses of the financial reporting procedures for the preparation of the financial statements and informs the Chairman, the CEO and the Board of Directors of the Company.
- It informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial reporting and what the role of the Audit Committee was in this process.
- It shall monitor the performance of the external auditors, taking into account any findings and conclusions of the competent authority in accordance with par. 6 of Art. 26 of Regulation (EU) No. 537/2014.
- With regard to the financial reporting process and the system of internal control, compliance and risk management, the Audit Committee:
  - It monitors the financial reporting process and makes recommendations or suggestions to ensure its integrity and the reliability of the Company's financial statements.
  - It oversees all official communications concerning the Company's financial performance (announcements, press releases), informs the Board of Directors of its findings and submits proposals for improvement if it deems necessary.

- It inspects the Company's internal financial controls and monitors the effectiveness of the Company's internal control, regulatory compliance and risk management systems. To this end, the Audit Committee periodically reviews the Company's internal control and risk management system to ensure that the main risks are properly identified, managed and disclosed. It informs the Board of Directors of its findings and submits proposals for improvement as it deems necessary.
- It examines and evaluates in detail important matters such as significant judgments, assumptions and estimates in the preparation of the financial statements, valuation of assets at fair value, assessment of recoverability of assets, adequacy of disclosures about significant risks faced by the Company, significant transactions with related parties, significant unusual transactions and compliance with accounting principles and standards and any changes since the previous financial year.
- It examines the existence and content of those procedures, whereby the Company's employees can, in confidence, express their concerns about possible irregularities and irregularities in financial reporting or other issues related to the operation of the Company. The Audit Committee shall ensure that procedures are in place for the effective and independent investigation of such matters and for dealing with them appropriately.
- It reviews the regulatory compliance system, which includes the establishment and implementation of appropriate and updated procedures, in order to achieve full and continuous compliance of the Company with the applicable regulatory framework in a timely manner and to have a complete picture of the extent to which this objective is achieved at all times.
- It reviews the policy and procedure for conducting periodic evaluation of the internal control system by persons with proven relevant professional experience and who have no dependencies in accordance with Art. 14 of L. 4706/2020.

The Audit Committee meets regularly, at least four (4) times a year, and on an extraordinary basis when required. In all cases, minutes shall be kept. All members of the Audit Committee participate in its meetings. It is at the discretion of the Audit Committee to invite, whenever it deems appropriate, key executives involved in the governance of the Company, including the Chief Executive Officer, the Chief Financial Officer and the Head of Internal Audit, to attend specific meetings or specific agenda items

Decisions of the Audit Committee are taken by an absolute majority of its members. The Audit Committee may also meet on its own initiative, provided that all its members are present. The Audit Committee may also meet by videoconference. The drawing up and signing of minutes by all members of the Audit Committee is equivalent to a meeting and a decision even if no meeting has taken place. The Audit Committee may elect a secretary to take the minutes of its meetings. The minutes are available to all members of the Audit Committee and the Board of Directors

The Audit Committee has rules of procedure which are posted on the Company's website.

## **Report of the Audit Committee for the financial year 2022**

"Ladies and Gentlemen Shareholders,

This report has been prepared based on the provisions of the provisions of L. 4449/2017 as amended by Art. 75 of L. 4706/2020 and refers to the work of the Audit Committee (the "Committee") for the period 01.01.2022 - 31.12.2022, based on its responsibilities, as described in detail in its Regulations of Operation, which are posted on the Company's website. During the year under review, the Committee met six (6) times, and where appropriate, key management personnel and the Company's external auditors attended. During the meetings, in which all members of the Committee attended all the meetings, minutes were taken which outlined the agenda items and any decisions taken by the Committee. More specifically, the Committee made the following:

### ***External Control.***

- Watched and reviewed the process of conducting the statutory audit of the annual financial statements of the Company and the Group for the financial year 2022 and the review of the first half of 2022, as well as the content of the auditor's reports. In particular, the committee met three (3) times with the Company's auditor.

- It reviewed the significant issues and risks that could have an impact on the financial reporting process as stated in the Independent Auditor's Report and informed the Board of Directors of the Company of the outcome of the statutory audit.

- It confirmed the independence of the auditor.

- It confirmed that the conditions for changing the auditor for the regular audit of the financial year did not exist and proposed the re-election of the auditing company "Associated Auditors S.A." (SOL S.A.).

- It reviewed all the fees of the external auditors for the audit work carried out and confirmed that the provisions of European Regulation 537/2014 were complied with.

- It reviewed and evaluated the financial reporting process followed by the Company in the preparation of the annual and half-yearly financial statements and informed the Board of Directors about it.

- It reviewed and evaluated the process of preparing the Group's condensed financial results for the first and third quarters of the financial year.
- it has been extensively informed through meetings with the relevant management bodies and the statutory auditors on the significant audit issues, significant judgements, assumptions, and estimates made in the preparation of the financial statements.
- It held meetings with the CFOs of the Group's companies, the internal auditor, the IT Director, and other executives of the Company and was briefed on important issues, the work plan of the IT department, the Group's pending legal cases and the relevant forecasts.

***Internal Audit System, Risk Management, and Internal Audit Units.***

- It reviewed and evaluated the work of the Internal Audit Unit as to the adequacy and effectiveness of the audit carried out, was informed of all audits carried out within the period under review, their findings, the corrective actions agreed with the senior management and informed the Board of Directors.
- It evaluated the staffing of the Internal Audit Unit and informed the Board of Directors.
- It studied and approved the annual audit program of the Internal Audit Unit, which was prepared based on the main risks faced by the Group companies.
- It was informed, through a written declaration by the internal auditor, of the independence of the internal audit unit.
- It evaluated the performance of the internal auditor
- It monitored the Company's compliance process with the requirements of Corporate Governance L. 4706/2020.
- It studied and approved the revision of the Company's Regulations of Operation, the Internal Audit Unit's Regulations of Operation.

***Sustainable Development Policy***

Underlining the sincere commitment of the organization to the principles of Corporate Responsibility and Sustainable Development, the Company has drafted a Sustainable Development

Policy. The policy covers all activities of the Company and the Group in Greece and abroad and binds the Company and all its subsidiaries.

The following are defined as fundamental commitments to corporate responsibility and sustainable development:

- In terms of the environment, the pursuit of optimal services with a view to protecting it.
- In terms of human resources, confidence in the abilities of staff and development of their skills, creating equal opportunities with respect for diversity.
- In terms of society, supporting local communities with actions that help to respond to the expectations of local issues, concerns, and aspirations.
- In terms of the market, a commitment to the continuous improvement of the products and services provided.

In addition, the Group proceeded with the analysis, identification and evaluation of the material issues related to its activity, by Sustainable Development axis.

The Group posted a Sustainability Report in December 2022 for the year 2021, which includes the report of the activities in the broader context of ESG and the total actions of the EPSILON NET Group companies, regarding the Environment, Society and Governance, which is also published on the corporate website ([https://ir.epsilonnet.gr/wp-content/uploads/2022/10/ekthesi-viosimis-anaptyxis\\_etous\\_2021.pdf](https://ir.epsilonnet.gr/wp-content/uploads/2022/10/ekthesi-viosimis-anaptyxis_etous_2021.pdf))

Finally, it should be mentioned that in the course of its work, the Commission had full and unhindered access to all information to carry out its tasks effectively.

FOR THE AUDIT COMMITTEE

THE CHAIRMAN

ELEFTHERIOS KARAMPINAS"



## **Remuneration and Nominations Committee**

The Company's Remuneration and Nominations Committee has been established to support the Board of Directors in fulfilling its obligations to shareholders to ensure that the nomination of candidates for the Board of Directors is done in a meritocratic and objective manner, to ensure the smooth succession of its members and senior executives for the long-term success of the Company. It consists of three (3) non-executive members of the Board of Directors, of which at least two (2) are independent. An independent non-executive director is appointed as the Chairman of the Committee.

Within its role, the Remuneration and Nominations Committee: a) makes proposals to the Board of Directors regarding the remuneration policy submitted for approval to the General Meeting, in accordance with par. 2 of Art. 110 of L. 4548/2018; b) makes proposals to the Board of Directors regarding the remuneration of persons falling within the scope of the remuneration policy, pursuant to Art. 110 of L. 4548/2018, and on the remuneration of the Company's executives, in particular the head of the internal audit unit; c) examines the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, before submitting the report to the General Meeting in accordance with Art. 112 of L. 4548/2018; and d) identifies and proposes to the Board of Directors persons suitable to become members of the Board of Directors, based on the procedure provided for in its rules of procedure. In selecting candidates, the Remuneration and Nominations Committee considers the factors and criteria set by the Company, in accordance with the eligibility policy adopted by the Company.

The Remuneration and Nomination Committee of the company at its meeting held on 26/05/2022 unanimously recommended the election of Mr. Pantelis Manis, son of Anastasios, as a new independent non-executive member of the Board of Directors and as a new member of the Audit Committee to replace the resigned Mr. Spyridon Avdimiotis. Subsequently, the Board of Directors of the company, by its unanimous decision of 30/05/2022, initially elected Mr. Mani Panteleimon, son of Anastasios, Independent non-executive member and Vice-Chairman of the Board of Directors and subsequently as a new member of the Remuneration and Nominations Committee, replacing

the resigned Mr. Spyridon Avdimiotis for a term of office expiring on the date of the next General Meeting in accordance with the provisions of Art. 9 par. 4 of Law 4706/2020.

At the Ordinary General Meeting of the Company's Shareholders of 30/06/2022, Pantelis Manis, son of Anastasios, was elected as a new independent non-executive member of the Board of Directors with a term of office until 30/06/2025, after it was established that he fulfils all the criteria of individual eligibility under the Company's Eligibility Policy, as well as the criteria of independence according to par. 1 and 2 of Art. 9 of Law 4706/2020, and there are no impediments or incompatibilities.

Subsequently, the Board of Directors of the Company, by its decision of 30/06/2022, taking into account that the above has proven to have sufficient knowledge in the sector in which the Company operates, elected him as a new member of the Audit Committee for a term of office until the expiry of the term of office of the Board of Directors, i.e. until 30/06/2025 (the term of office being extended until the expiry of the period within which the next Annual General Meeting of the Company's Shareholders must be convened and until the relevant resolution is adopted).

Following the above election, Mr. Pantelis Manis, son of Anastasios, as a new member of the Audit Committee in replacement of the resigned member, Spyridon Avdimiotis and for a term of office until 30/06/2025 (extended term of office until the expiry of the deadline, within which the next Ordinary General Meeting of the Company's Shareholders must be convened and until the relevant decision is taken), the Remuneration and Nominations Committee, by unanimous decision on 04/07/2022, is reconstituted as follows:

1. PANTELIS MANIS, son of ANASTASIOS, Independent Non-Executive Member of the Board, Chairman of the Committee,
2. ELEFThERIOS KARAMPINAS, son of MICHAEL, Independent Non-Executive Member of the Board, Member of the Committee and
3. AIKATERINI DASKALOPOULOU, daughter of GEORGIOS, Non-Executive Member of the Board, Member of the Committee.

The term of office of the members of the Remuneration and Nominations Committee lasts until the expiry of the term of office of the Board of Directors, i.e., until 30/06/2025.

The Remuneration and Nominations Committee has rules of procedure which are posted on the Company's website.

### **Summary Report on the activities of the Remuneration and Nominations Committee**

During fiscal year 2022, the Remuneration and Nominations Committee met four (4) times.

More specifically, the Committee made the following:

- Examined the legal framework governing the Company and activated par. 4 of Art. 9 of L. 4706/2020, proposing the entry of a new member to the Board of Directors of the Company
- Recommended the approval of the remuneration paid to the members of the Board of Directors for their services to the Company during the fiscal year 2021 (01/01/2021 - 31/12/2021)
- Recommended the approval of the advance payments made to the Executive Members of the Board of Directors during the current financial year (01/01/2022 - 31/12/2022)
- Recommended the approval of the advance payments made to the Non-Executive Directors and Independent and Non-Executive Directors during the then current financial year (01/01/2022 - 31/12/2022)
- Advised on the reference to a clear distinction between Board members' remuneration based on financial and non-financial criteria. During all meetings, all members of the Committee were present.

Minutes were taken which outlined the agenda items and any decisions taken by the Committee.

Information on the number of shares held by each member of the Board of Directors and each principal executive officer in the Company is set out in the following table:

Full name	Capacity	Number of Shares
MICHOS IOANNIS of NIKOLAOS	Chairman of the Board and Managing Director	34,100,000
ANAGNOSTOU VASSILIKI of DIMITRIOU	Deputy Managing Director	357,616
ABDIMIOTIS SPYRIDON of KONSTANTINOS	Vice Chairman of the Board, Independent Non-Executive Member, until 29/05/2022	0
MANIS PANTELEIMON of ANASTASIOS	Vice Chairman of the Board, Independent Non-Executive Member as of 30/05/2022	0
KOUTKOUDAKIS IOANNIS of ANTONIOS	Executive Member of the Board of Directors	128,000
PRASSAS VASSILIOS of GAVRIIL	Executive Member of the Board of Directors	13,000
MICHALOPOULOS PASCHALIS of GEORGIOS	Executive Member of the Board of Directors	6,000
GRIBPELAS ANDREAS of DIMITRIOS	Executive Member of the Board of Directors	30,000
AIKATERINI DASKALOPOULOU of GEORGIOS	Non-Executive Member of the Board of Directors	0
KOMNINOS NIKOLAOS of ZACHARIA	Independent Non-Executive Member of the Board of Directors	0
KARAMPINAS ELEFThERIOS of MICHAEL	Independent Non-Executive Member of the Board of Directors	5,000
KAZINERIS THOMAS of ARISTOTELIS	Accounting Manager	3,000
MICHOS NIKOLAOS of IOANNIS	Sales Network Manager	1,398,350
PETROU DIALECHTI-KONSTANTINA of GEORGIOS	Internal Auditor	50

**(e) A description of the diversity policy applied to the company's administrative, management and supervisory bodies regarding aspects such as, inter alia, the age, the gender or the educational and professional background of the members, the objectives of that diversity policy, how it has been implemented and the results during the reporting period**

The Board of Directors of the Company is composed of persons of good moral and reputational standing and has enough members and an appropriate composition, which reflects the knowledge, skills and experience required for the exercise of its responsibilities, in accordance with the business model and strategy of the Company. The Company shall ensure diversity and adequate gender representation on its Board of Directors and in general shall ensure equal treatment and equal opportunities, as well as the concentration of a wide range of qualifications and skills among the members of the Board of Directors. It also ensures that the members of the Board of Directors understand and comprehend the corporate governance regulations of the Company, as they result from the Law, the Corporate Governance Code, and the Code of Professional Conduct that the

Company applies. In the selection, renewal of the term of office and replacement of a member of the Board of Directors, individual and collective individuality, as defined immediately below, shall be considered. The suitability of the members of the Board of Directors is monitored on an ongoing basis, to identify any situation where a re-evaluation is required. Among the cases where a reassessment of the suitability of the members is deemed necessary are: a) when doubts arise as to the individual suitability of the members of the Board of Directors or the suitability of the composition of the body; b) in the case of a significant impact on the reputation of a member of the Board of Directors; and c) in any event that may significantly affect the suitability of the member of the Board of Directors, including in cases, where the members do not comply with the Company's Interest Conflict Policy. The Board of Directors of the Company is responsible to ensure and formulate an appropriate succession plan to ensure the smooth continuation of the management of the Company's affairs and decision-making after the departure of members of the Board of Directors, in particular the executive members and committee members of the Company. The suitability of the members of the Board of Directors is divided into a) individual and b) collective.

The Company has a Suitability Policy for the members of the Board of Directors which was approved by the Annual General Meeting of the Company's Shareholders on 30/06/2020 (1<sup>st</sup> edition). The basic concepts and principles of the Company's Suitability Policy, which is posted on the Company's website ([www.epsilonnet.gr](http://www.epsilonnet.gr)) are the following:

- A. It is clearly, adequately documented, governed by the principle of transparency and proportionality and is in line with the Internal Regulations of Operation and the Corporate Governance Code applied by the Company.
- B. The size, internal organization, risk appetite, the nature and complexity of the Company's activities are considered in establishing it.
- C. It shall consider the more specific description of the responsibilities of each Board member or his or her participation or non-participation in committees, the nature of his or her duties (executive or non-executive Board member) as well as specific incompatibilities or characteristics or contractual commitments.
- D. It is evaluated at regular intervals or when significant events or changes occur.

The Eligibility Policy explicitly provides for an adequate gender representation of at least 25% of the total number of Board members and in the case of a fraction, this percentage is rounded to the

previous integer. The Eligibility Policy refers to the Company's Equal Opportunities and Diversity Policy to ensure that it is considered when appointing new members of the Board of Directors. The monitoring of the implementation of the Eligibility Policy is the responsibility of the Board of Directors.

#### **(f) remuneration policy**

The "Remuneration Policy" of "EPSILON NET S.A." has been adopted and applied in accordance with Art. 110 and 111 of the L. 4548/2018, which incorporate Art. 9a of Directive 2007/36/EC, as introduced by Directive 2017/828/EU and is available on the Company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr). The "Remuneration Policy" is valid for four (4) years from the date of its approval by the Company's Annual General Meeting of Shareholders and may be revised in the event of material changes in the circumstances under which it was drawn up. Any revision requires the approval of the ordinary General Meeting of the Company's Shareholders, as defined by par. 2 of Art. 110 of L. 4548/2018, as in force. A temporary deviation from the approved "Remuneration Policy" may be made if the conditions set out in par. 6 of Art. 110 of L. 4548/2018. Its purpose is to increase corporate value through the retention and attraction of the most competent and suitable employees, those who achieve the objectives and serve the Company's interests in an excellent manner. Seeking to safeguard the interests and sustainability of the Company and the Group, the "Remuneration Policy" is in line with the Company's business strategy and supports the culture of performance creation, which aligns the Company's and the Group's objectives with the objectives of the stakeholders - employees, management, shareholders - and motivates employees to continue to act in the best corporate interest.

The "Remuneration Policy" is based on the following principles:

- Maximizing performance
- Attracting and retaining talents
- Aligning remuneration and rewards with profitability, risk, capital adequacy and sustainable growth
- Complying with the applicable legal and regulatory framework
- Internal transparency
- Ensuring that the remuneration paid is appropriate to the duties, responsibilities, position, performance, professional experience, and qualifications of the persons to whom it applies.

### **g) Code of Conduct**

The Code of Conduct was adopted by the company by the decision of its Board of Directors on 17.12.2019 and is posted on the company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr). Its purpose is to promote a common corporate culture in the EPSILON NET SA Group as such, meaning EPSILON NET SA and its subsidiaries, which encourages behavior based on the best principles of business ethics and conduct, but also on the applicable legislation in the areas of human rights, working conditions, the environment, and the fight against corruption. The Code of Conduct contains the fundamental principles, rules and values that form the framework of our activities and guide our daily behavior and practice. This set of principles and rules describes the behavior we expect from our employees, as well as the way we conduct business with our customers, suppliers, and partners. The purpose of the Code is to guide us in making decisions in situations where dilemmas may arise regarding the correct way to behave and deal with issues related to the principles and rules of business ethics. Compliance with the principles of business ethics and conduct adopted by the Group in its relations with and with all its partners (e.g., suppliers and other external partners) is sought.

### **h) Regulations of Operation**

The Company has an updated Regulation of Operation (2<sup>nd</sup> edition) in accordance with Art. 14 of L. 4706/2020 which includes:

- The organizational structure, the objects of the units, the committees of the Board of Directors or other standing committees as well as the duties of their heads and their reporting lines.
- A report on the main features of the Internal Control System (ICS), which includes the internal control unit, risk management and regulatory compliance.
- The recruitment process for senior managers and their performance evaluation.
- The procedure for compliance of persons exercising managerial functions and persons with close links to them with the obligations of Art. 19 of Regulation (EU) 596/2014.
- The procedure for the disclosure of the existence of any dependency relationship between independent non-executive members of the Board of Directors and people with close links to such persons.
- The process of complying with the obligations arising from the law on related party transactions.

- The policies and procedures for preventing and dealing with conflict-of-interest situations.
- The Company's policies and procedures for compliance with the laws and regulations governing its organization and operation as well as its activities.
- The procedure that the Company has in place for the management of privileged information and the proper information of the public, in accordance with the provisions of Regulation (EU) 596/2014.
- The policy and procedure for the periodic evaluation of the Internal Control System (ICS) by persons with relevant professional experience and without dependency.
- The training policy for the members of the Board of Directors, the executives, and other executives of the Company, those involved in internal control, risk management, regulatory compliance and information systems.
- The sustainable development policy is followed by the Company.

The Company's Regulations of Operation and any amendments thereto shall be issued and approved by the Board of Directors. Details of the Regulations of Operation are posted on the Company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr).

Risk management is based on the definition of objective objectives based on which the most significant events that may affect the Company are identified, the relevant risks are assessed and the Company's response to them is decided.

The adequacy of the Risk Management System is based on:

- ☐ The nature and extent of the risks it faces,
- ☐ To the extent and categories of risks that the Board of Directors considers to be within acceptable limits for the Company,
- ☐ The likelihood of the risks materializing,
- ☐ The Company's ability to reduce the impact of the risks that ultimately materialize,
- ☐ The cost of operating specific safeguards, relative to the benefit of managing risks.



## **j) Risk Management System**

Risk management is based on the definition of objective objectives based on which the most significant events that may affect the Company are identified, the relevant risks are assessed and the Company's response to them is decided.

Risk management is a process that:

- is carried out by the Company's managers and other employees of the Company
- is designed to identify potential events that may affect it
- is carried out by the Company's managers and other employees of the Company
- is designed to identify potential events that may affect the Company.

## **j) Internal Audit System**

The Company's Internal Audit System comprises the set of policies, procedures, duties, behaviors, and other elements that characterize the Company, which are implemented by the Board of Directors, the Management and other employees and have objectives:

- The consistent implementation of the operational strategy with the effective use of available resources.
- The identification and management of material risks associated with the Company's business and operations.
- The effective operation of the internal audit unit.
- Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the preparation of reliable financial statements and non-financial statements.

## **k) Regulatory Compliance System**

The main mission of regulatory compliance is to establish and implement appropriate and updated policies and procedures to achieve full and continuous compliance of the Company with the applicable regulatory framework in a timely manner and to always have a complete picture of the degree of achievement of this objective. The complexity and nature of the Company's activities, including the development and promotion of new products and business practices, have been assessed to establish the relevant policies and procedures.

## **l) Internal Audit Unit**

The Internal Audit Unit operates in accordance with Art. 15 and 16 of L. 4706/2020, the Greek Corporate Governance Code that the Company has voluntarily adopted (<http://www.helex.gr/el/esed>) and the provisions of the Company's Regulations of Operation.

**Thessaloniki, 10 April 2023**

**The Board of Directors**