



AUDIT COMMITTEE

Regulation of operation of the Audit Committee

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I. Introduction.

The Audit Committee of EPSILON NET S.A. Company (hereinafter the "Company") is established and operates in order to support the Board of Directors in its duties regarding:

- the financial reporting,
- the internal audit systems,
- the Internal Audit Directorate,
- the regulatory compliance and risk management systems; and
- the supervision of the regular auditor of the Company's corporate and consolidated financial statements.

II. Purpose of the Regulation.

This Regulation of Operation of the Audit Committee (hereinafter the "Regulation") is complementary to the legislation and regulates the relations of the Audit Committee with all interested parties (Board of Directors, Management, internal and external auditors).

The Audit Committee operates in accordance with article 44 of Law 4449/2017 as amended by article 74 of Law 4706/2020, articles 10, 15 and 16 of Law 4706/2020, the Hellenic Corporate Governance Code that the Company has voluntarily adopted and the provisions of the Company's Internal Regulation of Operation.

The Regulation sets out the responsibilities, duties and obligations of the Audit Committee in relation to the above framework. The Regulation defines:

- the type, composition and term of office of the members of the Audit Committee,
- the duties and responsibilities of the Audit Committee,
- the functioning of the Audit Committee.

III. Type, composition and term of office of the Audit Committee.

The Company has an Audit Committee which consists of at least three (3) members. The Audit Committee pursuant to article 44 of Law 4449/2017 as amended by article 74 of Law 4706/2020, constitutes:

- (a) a committee of the Board of Directors, consisting of non-executive members of the Board of Directors; or
- (b) an independent committee, consisting of non-executive members of the Board of Directors and third parties; or
- (c) an independent committee, consisting only of third parties.

The nature of the audit committee, its term of office, the number and properties of its members shall be decided by the general meeting or its equivalent.

The members of the Audit Committee are appointed by the Board of Directors, when it is a committee of the Board of Directors, or by the General Meeting of the Company when it is an independent committee. The majority of the members of the Audit Committee are independent of the audited entity. The Chairman is appointed by the members and is independent of the Company.

In the event of resignation, death or loss of membership of the Audit Committee, the Board of Directors shall appoint a new member from among its existing members to replace the member who has resigned, died or lost membership, for the period until the expiry of his/her term of office, subject, if applicable, to the provisions of paragraphs 1 and 2 of article 82 of Law 4548/2018 (A' 104), which is applied accordingly. When the above member is a third person, not a member of the Board of Directors, the Board of Directors shall appoint a third person, not a member of the Board of Directors, as a temporary replacement, and the next General Meeting shall either appoint the same member or elect another one for the period until the expiry of his/her term of office on the Audit Committee.

The members of the Audit Committee have sufficient knowledge of the sector in which the audited entity operates. At least one member of the Audit Committee, who is independent of the Company, with sufficient knowledge and experience in auditing or accounting, is required to attend the meetings of the Audit Committee related to the approval of the financial statements.

The Audit Committee draws up a regulation of operation which is posted on the website of the audited entity and meets at the registered office of the Company where its Articles of Association provide for, in accordance with article 90 of Law 4548/2018. The discussions and decisions of the Audit Committee are recorded in minutes of the meetings, which are signed by the members present, in accordance with article 93 of Law 4548/2018.

The Audit Committee submits an annual report to the Annual General Meeting of the Company, which includes a description of the Company's sustainable development policy.


The Company is obliged to post on the website of the regulated market without delay and in any case within twenty (20) days of the meeting of the Board of Directors or the General Meeting and to submit to the Hellenic Capital Market Commission copies of the minutes of the meetings, regarding the composition, staffing, and in particular the appointment, election or replacement, as well as the term of office of the members of the Audit Committee.

IV. Duties and responsibilities of the Audit Committee

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:

a) As regards the supervision of the regular audit, the Audit Committee:

 Is responsible for the selection process of the regular auditor and makes proposals to the Board

of Directors regarding the appointment, reappointment and deposition 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 Law 4449/2017 and article 16 of Regulation (EU) 537/2014 to be approved by the General Meeting.

- ✧ Examines and monitors the independence of the regular auditor and the objectivity and effectiveness of the audit process, taking into account the relevant professional and regulatory requirements in Greece.
- ✧ 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.
- ✧ Holds meetings with the Management during the preparation of the financial reports as well as with the chartered accountant during the planning and audit stage, during the execution of the audit and during the preparation of the audit reports.
- ✧ Is informed about the process and schedule of the preparation of financial reporting by the Management and the annual statutory audit program by the chartered accountant.
- ✧ 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 audit 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.
- ✧ 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.
- ✧ Monitors the performance of the external auditors, taking into account any findings and conclusions of the competent authority in accordance with par. 6 of article 26 of Regulation (EU) No. 537/2014. **b) With regard to the financial reporting process and the system of internal audit, compliance and risk management, the Audit Committee:**
- ✧ Monitors the financial reporting process and makes recommendations or suggestions to ensure its integrity and the reliability of the Company's financial statements.
- ✧ 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.
- ✧ Inspects the Company's internal financial audits and monitors the effectiveness of the Company's internal audit, regulatory compliance and risk management systems. To this end, the Audit Committee periodically reviews the Company's internal audit 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.

-  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.
-  Examines the existence and content of those procedures, whereby the Company's employees can, in confidence, express their concerns about possible lawlessness 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.
-  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.
-  Reviews the policy and procedure for conducting periodic evaluation of the internal audit system by persons with proven relevant professional experience and who have no dependencies in accordance with Art. 14 of Law 4706/2020.

V. Function of the Audit Committee

The Committee shall meet regularly, at least four (4) times a year (two of which before the publication of the half-year and annual financial statements) or extraordinarily, whenever necessary, shall keep minutes of its meetings and shall submit reports to the Board of Directors, as deemed necessary. Meetings are held at the Company's registered office or in accordance with the provisions applicable to the Board of Directors in article 90 of Law 4548/2018 and the Audit Committee is quorate when at least two (2) members are present. Agenda items shall be made available to each member at least three (3) days before the meeting. The relevant documents can also be sent by e-mail. The Audit Committee may invite any of its executives or any other person (employee of the Company, partner) to its meetings, whom it considers that can assist it in the execution of its work.

The discussions and decisions of the Audit Committee are recorded in minutes in accordance with article 74 of Law 4706/2020, signed by the members present, in accordance with Article 93 of Law 4548/2018. The Secretary of the Board of Directors (if any) acts as Secretary of the Audit Committee. The Audit Committee may use the services of external consultants, and should therefore be allocated sufficient funds for this purpose. The members of the Audit Committee receive remuneration in accordance with the remuneration policy approved by the General Meeting and in force in the Company.

The Audit Committee shall implement a process of periodic evaluation of the effectiveness of its functioning.

This Regulation shall enter into force after its approval by the Board of Directors of the Company. A review of the Audit Committee's Regulation of Operation is carried out whenever necessary. The Audit Committee's Regulation of Operation is published on the Company's website (<http://www.epsilonnet.gr>).