

PREMIA

Properties

**AUDIT COMMITTEE
TERMS OF REFERENCE**

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DOCUMENT REVIEW TABLE

#	Drafting / Review Date	Brief amendment description
Version 1	13.01.2021	Terms of Reference Approval
Version 2	07.07.2021	Amendment & Updating per Law 4706/2020

1. Scope of the Audit Committee's Terms of Reference

The present Terms of Reference determine the composition of the Audit Committee (hereinafter "the Committee") of the company under the name "PREMIA SOCIETE ANONYME (hereinafter "the Company") and specify the procedure for appointing the said Committee's members.

2. Purpose of the Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in discharging its supervisory responsibilities pertaining to financial information, internal control system and its implementation, as well as the external audit process.

In particular, the Audit Committee constitutes the independent and unbiased body serving as an essential safety valve for the effectiveness of the internal controls systems, the Company's risk management, the quality of external audit and the integrity of the financial information process.

3. Composition of the Audit Committee

The Committee comprises not less than three members and constitutes:

- i. A Board Committee comprising non-executive Board members, or
- ii. An independent Committee comprising non-executive Board members and third parties, or
- iii. An independent Committee only comprising third parties.

The General Assembly of the Company's shareholders establishes the type of the Committee and decides the term, the number and the capacity of its members. Following the Audit Committee's end of term, a new General Assembly shall confirm or determine anew the type, composition and term of office of the Audit Committee upon its appointment.

The Committee's members are either appointed by the Board of Directors if the Committee is a Board Committee or by the General Assembly of the Company's shareholders if the Committee is an independent one. In case the General Assembly shall decide that the Audit Committee be an independent joint committee, comprising

at least one Board Director, the General Assembly itself, as the supreme body, shall either appoint all the Audit Committee's members or only the third parties and shall authorise the Board to decide on the rest Audit Committee's members, who shall meet the requirements of the law.

The majority of the Committee members are independent of the Company within the meaning of article 4 of Law 3016/2004 as in force and Article 9 of Law 4706/2020 and possess adequate knowledge of the industry in which the Company operates. At least one of the Committee members who shall be independent, with adequate knowledge and experience in auditing or accounting, shall mandatorily attend the Committee's meeting held to approve financial statements. The Committee's Chair, whom the Committee's members appoint, is independent of the Company within the meaning of article 9 of Law 4706/2020.

In case of a member's resignation, death or loss of membership, the Company's Board of Directors selects the new one among its existing members who shall replace the ceased member for a period until the end of his term of office, in compliance, if necessary, with paragraphs 1 and 2 of article 82 of Law 4548/2018, which is applied accordingly. If the member mentioned above is a third person, i.e. a non-member of the Company's Board of Directors, the Board of Directors shall appoint a third person, a non-member of the Board of Directors, as a temporary replacement; the next General Assembly then proceeds either to appoint the same member or to elect another, for the period until the end of his term of office in the Audit Committee.

The Company is obliged to post on the regulated market's website without delay and within twenty days from the meeting of the Board of Directors or the General Assembly and to submit to the Hellenic Capital Market Commission copies of the meetings minutes concerning the composition, staffing, and in particular the appointment, election, replacement and term of office of the Committee's members.

4. Duties and Responsibilities

Under article 44 of Law 4449/2017 as in force and without prejudice to the responsibility of the Company's Board members, the Audit Committee, among others:

- Informs the Company's Board of Directors about the result of the statutory audit and explains how that audit contributed to the financial information integrity and the Audit Committee's role in this process.
- Monitors the financial information process and submits recommendations or proposals to ensure its integrity.
- Monitors the effectiveness of the Company's internal control, quality assurance and risk management systems and, where appropriate, its internal audit

department, in terms of the Company's financial information, without violating its independence.

- Monitors the statutory audit of the annual and consolidated financial statements and, in particular, its performance, taking into account any findings and conclusions of the competent authority under paragraph 6 of Article 26 of the 537/2014 EU Regulation.
- Reviews and monitors chartered accountants' or audit firms' independence under Articles 21, 22, 23, 26 and 27, as well as Article 6 of the 537/2014 EU Regulation; in particular, the adequacy of non-audit services that are provided to the Company, under Article 5 of the 537/2014 EU Regulation.
- Is responsible for the selection process of chartered accountants or auditing firms and proposes the chartered accountants or auditing firms to be appointed under Article 16 of the 537/2014 EU Regulation unless paragraph 8 of Article 16 of the 537/2014 EU Regulation applies.

The Committee's particular tasks and responsibilities are the following:

A. Financial Statements – Financial Information

- The Audit Committee monitors, examines and evaluates the process of compiling financial information, namely the mechanisms and systems, the financial information flow and dissemination produced by the Company's pertinent organisational units. These actions also pertain to related financial information that has been disclosed in any way (e.g. stock market announcements, press releases). In this context, the Audit Committee informs the Board of Directors of its findings and submits proposals to improve the relevant procedure, if appropriate.
- The Committee receives information from the Management on the procedures and the schedule for preparing the financial statements. In addition, it cooperates with the Management during the period of the preparation of the financial statements.
- Jointly with the Management and external auditors, it examines the audit results.
- Reviews the annual financial statements and assesses their completeness and accuracy before their disclosure.

- Assesses the manner in which the Management prepares interim financial statements and the degree to which the internal and external audits have participated in the process.
- Jointly with the Management and external auditors, it reviews interim financial statements and evaluates their completeness and accuracy before they are disclosed.

B. Internal Control and Risk management Procedures – Internal Audit Department

- The Audit Committee monitors, examines and assesses the adequacy and effectiveness of all Company's policies, procedures, and safeguards regarding the internal control system on the one hand and the assessment and management of risks relating to financial information on the other. Regarding internal control, the Committee monitors and reviews the proper operation of the Internal Audit Department, following professional standards and the current legislative and regulatory framework, and evaluates its work, adequacy and effectiveness, without however affecting its independence. The Committee also reviews disclosed information regarding the internal audit and the Company's principal risks and uncertainties relating to financial information. In this context, the Audit Committee informs the Board of Directors of its findings and submits proposals for improvement if deemed appropriate.
- Ensures a smooth internal control operation, monitoring and sporadically evaluating the adequacy and reliability of internal control and business risk mechanisms, judging from the timely identification of such risks, rapid response to address them and clarity and completeness of their disclosure.
- Reviews and assesses methods of identifying and monitoring risks, their handling by the internal control system and the Internal Audit Department, and their proper depiction in the financial statements.
- Supports the Company's Internal Audit Department in its audits, ensuring the necessary freedom and independence of its operation, but also facilitating the collection of all required information from internal sources in absolute discretion and confidentiality.
- Supervises the Internal Audit Department operation to ensure that it carries out its work in a fair, objective and professionally diligent manner, adopting international standards and practices.
- Receives the Internal Audit Department's reports, evaluates their content and invites the Department's head to provide further clarifications, if necessary.

- A meeting shall be scheduled each time the Internal Audit Department submits a report to the Committee, attended by the Committee members and the head of the Internal Audit Department. These meetings shall be minuted.
- Proposes the appointment of the head of the Internal Audit Department to the Board of Directors, assesses their efficiency and accordingly suggests their reappointment or dismissal.
- Caters for the Internal Audit Department's unobstructed operation, ensuring that no unjustified restrictions or limits hinder the execution of its tasks.
- Approves the annual audit planning and any main schedule deviations. Supervises the Internal Audit Department's performance in realising the audit planning.
- Jointly with the Head of the Internal Audit, reviews the Department's budget, planning of resources, operation and structure.
- If required, suggests to the Board of Directors ways to help the Internal Audit Department obtain all necessary resources and have experienced and qualified staff.
- Ensures compliance with the Company's Code of Business Ethics and Conduct, included in the corporate Rules of Procedure.
- Thoroughly investigates the Company's transactions with any related person and submits pertinent reports to the Board of Directors to examine the possibility of conflicting interests in a completely transparent manner and prevent potential damage or loss to the Company.
- At the Annual General Meeting, the Committee's Chair informs the shareholders on the Committee's performance as per its responsibilities.

C. External Audit

- The Committee monitors the statutory audit procedure of the Company's financial statements. In this context, it submits a report to the Board informing on any issues that arose, explaining in detail: a) the statutory audit's contribution to the quality and integrity of the financial information, i.e. its accuracy, completeness and correctness, including approved by the Board of Directors and published announcements, and b) the Committee's role in the procedure (a) above, that is, a record of its actions during the statutory audit. For the above-mentioned reporting to the Board, the Committee also considers the submitted supplementary report of the certified public accountant

containing the results of the statutory audit and meeting not less than the specified in Article 11 of the 537 / 2014 EU Regulation requirements.

- Receives information on the annual audit planning before its implementation and sees that the required audit procedures are all included.
- Meets with the external auditor during the audit planning, conducting, and report preparation phases.
- Monitors the work of certified public accountants or audit firms to assess compliance with the applicable legal framework, international standards and best practices.
- Evaluates whether any additional services by the independent chartered auditors comply with the law and do not affect their independence and approves the relevant assignments in advance.
- Is responsible for assessing prospective internal control system evaluators and suggests the selected evaluator to the Board of Directors per the internal control system evaluation process.
- Without delay and in any case within three (3) months from the Report's reference date, submits a summary of the Valuation Report to the Hellenic Capital Market Commission and, if required, the whole of it.

5. Audit Committee's Authority

The Audit Committee is authorised to:

- Access any document or data it deems necessary to perform its duties and use any resources it deems appropriate.
- Meet and collaborate with company executives and external advisors, if necessary, to accomplish its work.
- Report directly to the Board of Directors on any restriction or obstruction posed by any company employee in performing its duties.

6. Meeting, Minutes και Reporting

The Audit Committee meets at the Company's registered office or the place provided by the Company's Articles of Association for the Board of Directors meetings, per article 90 of Law 4548/2018.

The Audit Committee meets not less than once every three months in the context of supervising the Internal Audit Department to evaluate its performance, remarks that have emerged and measures or actions taken to address any shortages that have been witnessed.

Not less than twice a year, the Committee meets with the Company's external auditors without the presence of any Management members to be updated on their scope of work and discuss remarks and conclusions they have drawn concerning the Company's financial statements and generally its financial data.

The Committee's member who is independent of the Company and possesses adequate knowledge and experience in auditing or accounting is mandatorily present at all Committee's meetings regarding the approval of the Company's financial statements.

The Committee's meetings are minuted; minutes of the Committee's discussions and resolutions are recorded and signed by the members who were present, under article 93 of Law 4548/2018.

The Committee submits an annual progress report to the Company's ordinary General Assembly of its shareholders. This report includes an account of the sustainable development policy the Company has followed, should such a policy is required by corporate law. The progress report must be published together with the Company's annual financial report and form a distinct part of its content.

The Audit Committee's presents and submits to the Board of Directors reports it receives from the Internal Audit Unit at least every three months, together with its own remarks.

The Committee submits reports to the Board of Directors on its areas of responsibility, referring to domains in which the Committee, after completing its work, considers that critical issues underlie regarding the financial information provided and the monitoring of the Management's response thereto.

7. Approval, Disclosure and Amendment of the Audit Committee's Terms of Reference

The Audit Committee compiles the Audit Committee's Terms of Reference, which are then approved by the Company's Board of Directors.

Terms of Reference need to be regularly updated to ensure their compliance with the current legislation. In case of changes in the legal framework, the Audit Committee proposes to the Board the Terms of Reference's review and amendment.

The Audit Committee's Terms of Reference are published on the Company's website and are valid from its approval by the Board of Directors.