

PUBLIC POWER CORPORATION S.A.

**RULES OF PROCEDURE
OF THE AUDIT COMMITTEE**

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AC RULES OF PROCEDURE

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**RULES OF PROCEDURE
OF THE AUDIT COMMITTEE**

**Article 1
GENERAL**

1. Purpose of the Committee

The PPC Audit Committee (AC) operates, within the framework of the provisions of article 10 of Law 4706/2020 on "corporate governance" and having considered article 9 of Law 4643/2019, as well as pursuant to the provisions of the secondary legislation such as relevant circulars and decisions of the Capital Market Commission (CMC), as in force from time to time (by way of illustration the circulars/letters 1302/28.04.2017 and 1508/17.7.2020, 427/21.02.2022 of the Directorate of Listed Companies CMC), with the aim of overseeing:

1. the procedures of submission of financial reports and in particular the financial reporting process,
2. the process of the statutory audit of individual and consolidated financial statements by independent auditors – accountants, being responsible for their selection process, the monitoring of their performance and the review and monitoring of their independence,
3. the corporate governance, risk management, quality assurance and internal audit systems,
4. the Internal Audit Department (IAD), and
5. the Company's Procurement function.

2. Establishment of the Committee

The AC shall be composed of at least six (6) members appointed by the General Meeting of Shareholders (GM) as follows:

1. At least four (4) members, by virtue of article 44 of Law 4449/2017 as applicable, who may be non-executive members of the Board of Directors or non-members of the Board of Directors. In general, any combination may be determined as long as there is at least one member of the Board of Directors. These Members shall be in their entirety non-executive

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members of the BoD and most of them independent of the Company, within the meaning of the provisions of Law 4706/2020. The members of the AC shall have sufficient knowledge in the field of activity of the audited entity, while at least one (1) of them, independent of the Company within the meaning of the provisions of Law 4706/2020, shall have sufficient knowledge and experience in auditing and accounting.

2. Two (2) members, under article 9 of Law 4643/2019, selected from a list of persons with proven experience in the field of works, supplies and services contracts, and who shall be independent of the Company, within the meaning of the provisions of Law 4706/2020.

The term of office of the AC members shall be three years and may be renewed. By way of exception for the two (2) members, under article 9 of Law 4643/2019, their term may be renewed once, while as far as the members of the Board of Directors are concerned, their term of office shall expire with the loss of membership on PPC Board of Directors.

In any case, the General Meeting of Shareholders shall determine first of all the type of the AC (committee of the Board of Directors or independent committee with Board members and third persons or exclusively with third persons). Furthermore, the General Meeting shall decide the composition of the AC, i.e. the total number of its members and the number by capacity of its members (non-executive, independent non-executive, third persons independent or not) in accordance with Article 44 of Law 4449/2017 as applicable and having considered Article 9 of Law 4643/2019 as applicable. Third person means any person who is not a member of the Board of Directors.

AC members must meet in a proportionate manner the suitability criteria as these are specified in the applicable legal framework and the Company's Suitability Policy.

The Chairman of the AC shall be elected by the members of the Committee when the Committee is formed into body, in accordance with article 44, par. 1, item (e) of Law 4449/2017, and comes from its independent members within the meaning of the provisions of Law 4706/2020.

Participation in the AC does not preclude the participation of its members in other Committees of the Board of Directors that are not involved in the day-to-day administration and management of the corporate affairs.

Should the need arise to replace a member of the Committee due to resignation, death or loss of the capacity of Board member, the provisions of the Company's Articles of Incorporation, the Suitability Policy and Law 4548/2018 shall apply.

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The BoD, in order to replace a member of the AC which is non-member of the BoD (third person) , shall appoint a third person who is not 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 in the AC.

The company shall be obliged to post without delay on the website of the regulated market and to submit to the Capital Market Commission (CMC) within a period of twenty (20) days, copies of the minutes of the meeting of the General Meeting and/or the Board of Directors, concerning the composition, formation into body, and in particular the election, appointment, replacement, as well as the term of office of the members of the AC. In addition, it shall submit copies of the minutes of the meeting of the AC held for its formation into body and the appointment of its Chairman.

3. Powers of the Committee

The AC shall be responsible:

According to the requirements of article 44 of Law 4449/2017 and having considered article 9 of L. 4643/2019 and following the recommendations of the members who have been elected under the above provision, for:

1. Monitoring the external audit process and informing the Board of Directors of its results. In particular, the AC:
 - shall monitor the statutory audit of the annual and consolidated financial statements and in particular its performance, taking into account any findings and conclusions of the competent authority in accordance with par. 6 of Article 26 of Regulation (EU) No 537/2014,
 - shall have timely and effective communication with the chartered auditor-accountant during the planning stage of the audit, during its execution and in view of the preparation of the Audit Report and the Supplementary Report of the latter to be submitted to the AC. In this context, the AC is briefed by the chartered auditor-accountant (or the audit firm) on the annual statutory audit programme prior to its implementation, assesses it and ensures that the annual statutory audit programme will cover the most important audit areas, taking into account the main business and financial risk areas of the company,
 - shall take into account the content of the supplementary report, which the chartered auditor (or audit firm) submits to the AC and which contains the results of the statutory audit and meets at least the specific requirements in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council dated 16 April 2014,
 - shall inform the Board of Directors, submitting a relevant report on the

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outcome and the issues arising from the statutory audit and shall explain:

- i. how the statutory audit contributed to the quality and integrity of the financial reporting, i.e. the accuracy, completeness and fairness of the financial reporting, including related disclosures, to be approved by the Board and made public; and,
 - ii. what was the role of the AC in this process, i.e. a record of the actions taken by the AC in the process of conducting the statutory audit.
2. Monitoring the financial reporting process and making recommendations or suggestions to ensure its integrity. More specifically, the AC:
 - shall be informed of the process and timetable of the preparation of the financial reporting by the Management. To this end, the AC shall hold meetings with the relevant managers during the preparation of the financial reports,
 - shall monitor, review and evaluate the financial reporting process, i.e. the production mechanisms and systems, the flow and dissemination of the financial information generated by the Company's organisational units involved. The above actions of the AC also include other information disclosed in any way whatsoever (e.g. stock exchange announcements, press releases) in relation to financial information. In this context, the AC shall report its findings to the Board of Directors and submit proposals for process improvements, if deemed appropriate,
 - shall consider and evaluate in detail the most significant issues and risks that could have an impact on the Company's financial statements, as well as the significant judgments and estimates made by the Management in preparing them, including but not limited to:
 - evaluation of the use of the business continuity assumption,
 - significant judgements, assumptions and estimates made in the preparation of the financial statements,
 - valuation of assets at fair value,
 - assessment of recoverability of assets,
 - acquisition accounting,
 -
 - adequacy of disclosures about significant risks,
 - significant related-party transactions,
 - significant unusual transactions.

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- shall review the financial reports prior to their approval by the Board of Directors as to their completeness and consistency with the information brought to its attention, as well as with the accounting principles applied by the Company and shall inform the Board of Directors accordingly.
3. Overseeing the selection of chartered auditors - accountants or audit firms and reviewing their independence. In particular, the AC:
- shall oversee the procedure for the selection of chartered auditors or audit firms for which it is responsible and shall propose the chartered auditors - accountants or audit firms to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, unless paragraph 8 of Article 16 of Regulation (EU) No 537/2014 applies,
 - shall review and monitor the independence of chartered auditors - accountants or audit firms in accordance with Articles 21, 22, 23, 26 and 27 of Law 4449/2017, as well as Article 6 of Regulation (EU) No 537/2014 and in particular the appropriateness of the provision of non-audit services to the Company in accordance with Article 5 of Regulation (EU) No 537/2014,
 - shall pre-approve all audit and non-audit services provided to the Company by the chartered auditors or audit firms that undertake the statutory audit of the Company's financial statements.
4. The monitoring, review and evaluation of corporate governance, quality assurance and internal audit systems. Specifically:
- shall monitor the effective operation of the Company's internal audit, quality assurance and risk management systems, regulatory compliance and, on a case by case basis, of the IAD, with respect to the Company's financial reporting, without compromising the independence of the latter,
 - shall review the disclosed information regarding internal audit and the Company's principal risks and uncertainties related to financial reporting. In this context, it shall report its findings to the Board of Directors and make recommendations for improvement, if deemed appropriate,
 - shall hold periodic meetings, in the context of supervision of internal audit systems, corporate governance and open corporate communication and of identifying any significant issues, with:
 - the Management,
 - the Directors of the IAD,
 - the other Directors of the Departments that make up the Internal Audit System, as defined by Law 4706/2020,
 - the General Counsel - Chief Legal Affairs and Corporate

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Governance Officer,

- the Directors responsible for procedures for awarding contracts for works, supplies and services of the Company,
- as well as with other competent managers

In order to discuss issues within their competence, as well as problems that may arise in the execution of their duty,

- shall receive and review the detailed evaluation report of the Internal Audit System prepared by persons with proven relevant professional experience and who are not dependent on PPC based on its Rules of Operation and the provisions of Law 4706/2020,
- shall submit a recommendation to the Board of Directors for the approval of the IAD Charter,
- shall be informed of the IAD's annual audit programme prior to its implementation and assess it, taking into account the main areas of business and financial risk and the results of previous audits. As part of this briefing, it ensures that the annual audit programme (together with any medium-term programmes) covers the most significant areas of audit and systems relevant to financial reporting. It shall cooperate with the Director of the IAD to finalise the annual audit programme under Article 15 of Law 4706/2020, and shall be informed of the requirements of the necessary audit resources, of the implications of any restrictions on IAD's resources or audit work in general, as well as the submission of the IAD annual audit programme and the IAD budget for approval by the Board of Directors,
- shall receive and review the reports of the IAD as provided for by Article 16 of Law 4706/2020 and monitor the briefing of the Board of Directors by the IAD on the content of these reports, in particular with regard to the financial reporting of the Company,
- shall propose the appointment of the Director of the IAD to the Board of Directors in accordance with the provisions of Article 15 of Law 4706/2020, make recommendations on matters relating to his term of office or the revocation of his duties or his resignation, if any, based on the regulations applicable to other PPC Directors of the same level, and evaluate his work on an annual basis as provided for by PPC's corporate procedures,
- shall assess the staffing and the organisational structure of the IAD and, where appropriate, make proposals to the BoD to ensure that the IAD has the necessary resources, is adequately staffed with personnel with sufficient knowledge, experience and training, that there are no restrictions on its work and that it has the required independence,
- shall evaluate the Compliance Department's regulatory compliance

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action plan prepared for the timely, full and continuous compliance of PPC with the applicable regulatory and legislative framework and shall monitor its implementation based on relevant reports,

- shall monitor the following:
 - the adequacy of the design and the operational effectiveness of the corporate governance system, as provided for by Law No. 4706/2020, at least every three (3) financial years,
 - the adequacy of the design and the operational effectiveness of the internal audit system, in particular with regard to the adequacy and correctness of the financial and non-financial reporting provided, the risk management, the regulatory compliance, and the corporate governance code adopted by the Company,
 - the consistent implementation of the business strategy, through the effective use of available resources,
 - the quality assurance mechanisms,
 - the implementation of the Company's Rules of Operation,
 - the compliance with the commitments undertaken in the Company's prospectuses and business plans regarding the use of funds raised on the regulated market.

Monitoring is carried out mainly through the work of the IAD, and the work of the chartered auditor/audit firm and the external evaluator of the internal audit system.

- shall oversee the management of the Company's main risks and uncertainties and their periodic review. In this context, it shall evaluate the methods used by the Company to identify and monitor risks, address the main risks through the internal audit system and the IAD and to disclose them in the published financial information in the proper manner.
5. Monitoring, reviewing and evaluating the procurement function for works, supplies and services. In particular, the AC:
- shall hold regular meetings with the heads of the competent units for procedures for the award of works, supplies and services contracts, to discuss issues within their competence, as well as problems that may arise, and shall check and monitor the correct application of the Works, Supplies and Services Regulation on a sample basis,
 - shall report annually to the Board on the performance of the Company's works, supplies and services contract award function, based on specific indicators, with a view to enhancing efficiency, reducing associated risks and linking the Procurement function to

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corporate strategy and policies; and

- shall recommend to the Board of Directors amendments to the Works, Supplies and Services Regulation and generally measures to improve the efficiency of the Company's Procurement function.

To fulfil its competences, the AC:

- shall be regularly informed about the legislation relevant to its subject matter and about the decisions, notices, clarifications and recommendations of the Hellenic Capital Market Commission,
- shall be informed by the relevant Competent Groups on business developments and the risks of the environment and the markets in which the Company operates,
- shall have adequate human and financial resources to carry out its tasks. To this end, an appropriation is included in the Company's Annual Budget, to be determined annually, for expenditure related to the AC's mission, in particular with regard to carrying out research into matters within its competence and, if it considers it necessary, to appoint external consultants,
- shall have access to the Company's relevant files, documents and data required and have unhindered and full access to the information needed to carry out its work.

The Audit Committee shall be periodically evaluated for its work, under the responsibility of its Chairman who organizes the conduct of said evaluation.

Article 2

CONVOCAATION OF THE COMMITTEE

1. The AC shall be convened upon invitation of its Chairman and shall meet at the Company's seat.
2. The meetings of the AC shall not be public and shall be divided into:
 - Regular meetings
 - The AC shall meet regularly at least six (6) times a year.
 - Regular meetings shall be held upon written invitation of its Chairman, which shall specify the date and time of the meeting and shall be accompanied by the items on the agenda.
 - Extraordinary meetings
 - The AC shall hold an extraordinary meeting at any time: a) when deemed necessary by its Chairman; or b) at the written request of a member, who shall indicate precisely the items to be included on the agenda.
 - In the second case referred to above, the Chairman:
 - o shall be obliged to convene the Committee and set the date and time of the meeting within no more than five (5) working days following the relevant request,
 - o may also add in the relevant agenda items other than those requested.
3. A meeting that is not held (e.g. quorum is not present) shall stand adjourned and resumed, at the discretion of the Chairman, within a reasonable period of time.
4. The AC may meet via videoconference or telephone conference call and invitations and requests for convocation may also be submitted via e-mail.

Article 3

AGENDA

1. The agenda on the items to be discussed at both regular and extraordinary meetings of the AC shall be defined by the Chairman of the AC and shall be attached to the Invitation.
2. Recommendations and announcements at meetings of the AC shall, as a rule, be in writing. They shall be drawn up and presented by the Chairman of the AC or the member who has requested the inclusion of a specific item on the agenda. In particular, as far as matters related to works, supplies and services of the Company are concerned, the recommendations shall be submitted by any of the members elected having considered Article 9 of Law 4643/2019.
3. The agenda, accompanied by the relevant recommendations - announcements, shall be sent to the members of the AC at least three (3) working days prior to the meeting.
4. In extraordinary or exceptional cases:
 - Part or all of the recommendations - announcements may be oral.
 - With the agreement of all members present, it may be possible to discuss matters outside the agenda.

Article 4

QUORUM – DECISION MAKING

1. The AC shall be duly convened, and a quorum shall be deemed to have been achieved when its Chairman and at least three (3) other members.
2. The representation of a member of the AC by another person, member or not shall not be permitted.
3. The absolute majority of the members present shall be required for the valid decision making of the Committee. In the event of a tie vote among the members present, the vote of the Chairman shall prevail.
4. At least one (1) independent member of the Committee, with sufficient and proved knowledge and experience in the field of auditing or accounting, shall be required to attend the AC meetings concerning the approval of the financial statements.
5. AC members shall be obliged to maintain absolute confidentiality for matters of the Company which they have become aware of due to their capacity.

Article 5

ATTENDANCE OF THIRD PERSONS AT MEETINGS

At the AC meetings, the General Counsel - Chief Legal Affairs and Corporate Governance Officer and other managers of the Company of any level, as may be required, may be invited by its Chairman, in order to present their views on matters falling within their competence, as well to submit in writing and support reports.

All the above executives of the Company shall have the obligation to be present at the AC upon relevant invitation.

Any third person who attends the AC meetings on a case-by-case basis shall be obliged to keep strictly confidential any PPC's confidential issues of which he/she has become aware.

Article 6

INCOMPATIBILITIES & IMPEDIMENTS OF MEMBERS OF THE COMMITTEE

1. The incompatibilities and impediments of AC members arise from the general principle of impartiality in the performance of their duties. In order to ensure impartiality, situations of conflict of interest must be avoided or adequately addressed. Situations of conflict of interests arise where facts are established, and in particular facts linked to an AC member's personal interest, which may reasonably give rise to an internal conflict that can affect and compromise its judgment in the performance of his/her duties, with the result that the interests of the Company are not served in the expected manner.
2. Each independent member of the AC must meet the independence criteria for non-executive members of the Board of Directors, as provided for in Article 9, paragraph 2 of Law 4706/2020 and in particular shall have no financial, business, family or other kind of dependency relationships, which may compromise his/her decisions and his/her independent and objective judgment. The independent members of the Committee shall be subject to the incompatibilities and impediments of Board members as these are specified in the Company's Suitability and Conflict of Interest Policies.
3. For non-Board members, the incompatibilities and impediments of Board members shall apply correspondingly.
4. Whenever a member of the AC thinks that there may be a potential conflict of interest, between his/her personal interests or those of his/hers closely related persons and the interests of the Company, he/she must notify the Board of Directors in a timely and adequate manner by a relevant declaration. Pending the examination of such conflict of interest declaration by the Company, the member concerned shall be obliged to refrain from participating in the AC decision-making for corporate transactions linked to such conflict of interest.

Article 7

MINUTES OF MEETINGS - RATIFICATION OF MINUTES

1. Minutes of the AC meetings shall be kept in a special book, in which summaries of the oral recommendations and discussions, as well as the decisions reached by the AC shall be recorded. The names of all those present at the meeting shall also be recorded in the minutes.
2. At the request of a member, the Chairman shall allow an accurate summary of his opinion to be entered in the minutes.
3. Each AC meeting and decision shall be serially numbered, starting at the beginning of each year.
4. The minutes of each meeting shall be signed within no later than thirty (30) days from the meeting, by the Chairman, the members and the secretary of the Committee, who shall also initial at the bottom of each page.
5. The minutes book shall be kept by the secretary in an appropriate file.
6. Copies or excerpts of minutes shall be provided to those attending the meeting or to third persons, only upon special approval of the Chairman of the AC.

Article 8

RECOMMENDATIONS - ANNOUNCEMENTS – REPORTS OF THE AC

1. The decisions of the AC constitute, as the case may be, recommendations or announcements or reports to the governing bodies of the Company.

2. In this context, the Chairman of the AC shall submit the decisions of the Committee to the Chairman of the Board of Directors of the Company, in order to be recommended/ introduced to the Board of Directors and take the necessary executive decisions. In particular, the AC shall:

- Recommend to the Board of Directors, based on the provisions of the Company's Rules of Operation, the periodic assignment (selection, amount of remuneration), at least every three years, of the evaluation of the adequacy of the Company's IAS to third parties, who have the necessary experience for this purpose and do not have dependence relationships in accordance with paragraph 1 of Article 9 of Law 4706/2020, other than the chartered auditors/accountants.

- Submit proposals to the Board of Directors for the election by the General Meeting of Shareholders (GMS) of an audit firm of chartered auditors, including the amount of its remuneration and the procedure for carrying out the audit.

- Submit reports to the Board of Directors on its areas of responsibility with reference to the areas where, after completing its work, it considers that there are material issues in relation to the financial reporting provided and monitor the Management's response to them.

- Inform the Board of Directors on the adequacy and effectiveness of the Company's Internal Audit System (IAS) by submitting and presenting the relevant reports of the IAD, as provided for by the legal framework and the Company's Articles of Incorporation and the results of the assessment of the IAS by an independent assessor based on PPC's Rules of Operation, and submit proposals to address any weaknesses which may be identified.

- Inform the Board of Directors on the management of the Company's main risks and uncertainties and submit proposals for corrective actions, if deemed appropriate.

- Inform the Board of Directors on the results of the progress of the statutory audit of individual and consolidated financial statements, explaining its contribution to the quality and integrity of financial reporting and the role of the Audit Committee in the said process.

- Inform the Board of Directors on the results of the assessment carried out by the Company's external chartered auditor with regard to the independence, integrity, objectivity, adequacy and effectiveness of its operation, particularly with regard to the provision by the auditor, to the Company and its

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subsidiaries, of other non-audit services, as well as the need for his/her periodic rotation, in accordance with the applicable regulatory framework.

- Submit report annually to the Board of Directors on the performance of the Company's procurement function for works, supplies and services, and the extent to which the Procurement function is aligned with the corporate strategy and policies.

- Recommend to the Board of Directors the necessary amendments to the Regulation on Works, Supplies and Services and in general measures to improve the performance of the Company's Procurement function.

3. Finally, the AC shall submit a report on its activities to the shareholders at the annual General Meeting of Shareholders, detailing its actions and the issues it has addressed. This report shall include a description of the sustainable development policy followed by PPC. During the annual GMS, substantive briefing shall be made through the Chairman on the activities of the AC based on its prescribed duties. The activity report shall be posted on the Company's website.

Article 9

SECRETARY OF THE COMMITTEE

1. The AC shall be operationally supported by the Corporate Governance Entity, with the necessary staff and logistical infrastructure.
2. The duties of Secretary of the AC shall be performed by an employee of the Corporate Governance Entity, appointed by the General Counsel – Chief Legal Affairs and Corporate Governance Officer.
3. The Secretary of the AC shall attend its meetings, ensure the drawing up and signing of the minutes, maintain the records of the Committee and manage its correspondence.

Article 10

FINAL AND TRANSITIONAL PROVISIONS

1. The present Rules of Procedure of the AC shall be effective upon their initial approval by the Board of Directors or upon the corresponding approval by the Board of Directors of any subsequent amendment thereto. It shall be posted on PPC's website and reviewed at least every two years or when significant events or changes in the Company's organization or legal framework take place.