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Audit Committee

Charter

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1. Corporate Governance

An Audit Committee (hereinafter 'AC') is established according to article 44 of Law 4449/2017, as amended by article 74 of Law 4706/2020. The AC consists of independent members who are not entrusted with the day-to-day administration and management of Geniki Panelladiki Limited Liability Cooperative Society (hereinafter referred to as the 'Cooperative') and are, at the discretion of the Board of Directors, exempted from relationships that may undermine the independence and objectivity of expressing the opinion of each member of the AC.

2. Objectives

The Audit Committee (AC) assists the Board of Directors in the sound and prudent management and administration of the Cooperative according to the principles described in the Corporate Governance Framework (hereinafter referred to as the "Framework"). The AC enhances the competences and skills of the Board of Directors in relation to the following:

- Appropriate disclosure of the financial information to the users of the corresponding reports;
- Implementation of accounting standards;
- Financial management;
- Internal control system;
- Risk management system;
- Efficiency of the administration and management system;
- Business policies, standards and best practices;
- Safeguarding the assets of the Cooperative;
- Compliance with the applicable legal and regulatory framework and corporate governance best practices.

The AC also fulfils the following objectives of:

- Improving the reliability and integrity of the procedure of delegation and execution of responsibilities, including those relating to the preparation of financial reports;
- Overseeing the effectiveness of the audit functions, i.e., the functions of Internal Audit and Statutory Auditor;
- Facilitating the communication of the Board of Directors with the respective functions;
- Ensuring the independence of the Statutory Auditor;
- Developing a predefined reporting framework by the Internal Audit Function (hereinafter referred to as 'I.A.') and monitoring the objectivity and independence of the Head of Internal Audit;
- Overseeing the effectiveness of the Data Protection Function (hereinafter referred to as D.P.) as well as facilitating the communication of the Board of Directors with the relevant function;
- Overseeing the effectiveness of the Compliance Function;
- Assessing the annual report of the Compliance Function and submitting to the Board of Directors proposals to improve its operations.
- Confirming the quality of internal and external reports including qualitative and quantitative/financial data.
- Ensuring the cultivation of ethical and professional behaviour

3. Composition

The AC consists of at least three (3) independent members, appointed by the General Assembly of Cooperative members.

The members of the AC are appointed for a period of three (3) years with the possibility of successive renewal of their tenure.

The fit and proper of the AC members is assessed and re-evaluated by the Board of Directors each year upon submission of the necessary documents.

In the event of the resignation, death or loss of membership, the Board of Directors appoints a third person as a temporary replacement, who is not a member of the Board of Directors, and the next General Assembly of Cooperative members either appoints the same person or elects another person for a period up to the remaining tenure of the AC.

4. Conflict of Interest and Irreconcilable Conflict

The Cooperative ensures in any case the independence of the members of the AC and in any case examines any irreconcilable conflict of members as well as issues of conflict of interest.

The members of the AC should not have any kind of direct or indirect interest in the cooperative. In the event that an AC member maintains a relationship that may be considered to affect their objectivity and independence, this should be disclosed and communicated to the Board of Directors in order to be assessed accordingly.

5. Fit and Proper

Each member of the AC meets the requirements regarding knowledge, both theoretical and practical, experience and reliability as set out in the most recent relevant Policy.

In addition, at least one (1) independent member of the AC, with adequate knowledge and experience in auditing or accounting, is required to attend the meetings of the AC for the approval of financial statements.

6. Delegation of Authority

The Board of Directors authorises the AC through their Chairman for the following:

- The resolution of disputes among members involved in the management and administration of the Cooperative and the Statutory Auditor on issues related to the preparation of Financial Statements according to the applicable accounting standards , pre-approval of audit and advisory services by the Statutory Auditor. Requesting for any information from the employees of the Cooperative who must cooperate with the AC as well as from third parties;
- Conducting an evaluation of the efficiency and effectiveness of the I.A. function and of the other Departments and key functions of the Cooperative.

7. Attendees

Non-members may attend the meetings of the AC upon invitation, without participating in the decision making procedure.

The attendees usually invited are:

- the General Manager,
- the Deputy General Manager,
- the Financial Operations Manager,
- the Head of the Internal Audit,
- the Statutory Certified Auditor.

8. Meetings

The regular meeting takes place at the Cooperative Head Office or wherever provided for by its statutes at least four (4) times a year and at least five (5) working days prior to Board of Directors meetings. In addition, extraordinary meetings shall be convened whenever necessary. At the beginning of each calendar year, the AC prepares a meetings schedule and an agenda for at least four (4) regular meetings throughout the year. The AC may constantly revise its agenda.

The Statutory Auditor and/or the Head of the Internal Audit reserve the right to invoke in writing an extraordinary meeting with the AC at any time and this request is expected to be met.

The AC is convened by their Chairman and is deemed to be in a quorum when all three (3) members are present. The representation of the members is not acceptable and they may attend the meeting remotely with the support of appropriate means (telephone, computer, etc.).

The invitation to a meeting and the agenda for each meeting shall be accompanied by the necessary supporting information and shall be communicated to each attendee including non-members at least three (3) working days prior to the meeting.

The members of the AC have no right to hold individual meetings with persons except in the presence of all members of the AC.

9. Voting

Decisions of the AC shall be passed by majority vote.

10. Code of Ethics and Conduct

The members of the AC cooperate to declare and further examine cases of conflicts of interest on an ongoing basis.

11. Secretary Duties

The secretary of the AC is appointed by their Chairman and is usually a member of the AC.

Specifically, the responsibilities the Secretary assumes, under the guidance of the Chairman of the AC, are the preparation of the Minutes and the necessary reports where this is required.

The Secretary, under the guidance of the Chairman of the AC, prepares and sends the agenda as well as the necessary supporting material. Finally, the Secretary is responsible for keeping the corresponding file, both in physical and electronic form.

12. Minutes

The minutes of the meetings in which the discussions and decisions of the Committee are recorded, are prepared and approved by the Chairman of the AC and communicated to the other members within a reasonable period of time, namely at least 5 working days before of the subsequent meeting. The minutes must be approved by the members attended the meeting and signed by the Chairman and members in the subsequent meeting.

13. Reports to the Board of Directors

The Chairman of the AC submits a report to the Board of Directors following the completion of the preceding meeting within a period not exceeding ten (10) business days. The content of the relevant information may include the agenda by attaching important accompanying documents including proposed actions to be initiated by the Board of Directors and/or necessary approvals.

The Chairman of the AC ensures that an overview of the tasks of the departments in charge of the necessary public and regulatory disclosures is included in the annual audit plan and informs the Board of Directors of any omissions or delays in communicating the relevant disclosures.

14. Reports to the General Assembly.

The AC submits an annual report to the regular General Assembly of Cooperative Members. This report should include a description of the sustainable growth policy pursued by the Cooperative.

14. Remuneration

The remuneration of the Chairman and the members of the AC is determined by the Board of Directors and validated by the General Assembly of Cooperative Members.

15. Evaluations

The AC carries out an annual evaluation of the effectiveness of its operation and of its members. It is also responsible for evaluating the Internal Audit Function as well as the Data Protection Function. The results of the evaluation are communicated to the Board of Directors. The Chairman of the AC is responsible for drawing up and monitoring the corrective action plans to address identified divergences.

The AC shall review and update as necessary and on an annual basis the Charter to ensure that it remains consistent with the responsibilities and objectives of the Board of Directors. The Board of Directors shall approve the Charter and/or revise it at the Board's discretion.

16. Responsibilities

Without prejudice to the responsibility of the Board members, the AC assumes the following responsibilities:

A. Financial Reporting

- i. Informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit has contributed to the integrity of financial reporting and what the role of the AC is in this process;
- ii. Monitors the financial reporting process, makes recommendations or proposals to ensure integrity and monitor the implementation plan of the proposed corrective action plans;
- iii. Monitors the effectiveness of the internal control system, the quality and risk management and, on a case-by-case basis, the Internal Audit Function - in an appropriate way without affecting the independence of the function - as far as financial reporting is concerned;
- iv. Monitors the statutory audit of the annual financial statements and, in particular, its performance;

- v. Reviews and monitors the independence of statutory certified auditor or auditing firms and, in particular, the appropriateness of the auditing services provided to the Cooperative;
- vi. Formulates, coordinates and carries out the selection process of statutory certified auditor or auditing firms and to propose to the Board of Directors the appropriate candidates to be appointed by the General Assembly.

B. Internal control system and risk management

- i. Assesses the applicable internal processes for the management of identified significant risk areas, and in particular:
 - compliance with the applicable regulatory framework, the Framework and internal standards in force;
 - the process for managing the insurance portfolio (underwriting, claims management, reserving, reinsurance);
 - explanations based on the judgment of experts, the adoption of which has a significant impact on the Cooperative, and in particular those relevant to the formation of technical provisions;
 - fraud and, in particular, insurance fraud;
 - other business risks the monitoring of which has not been entrusted to another management or supervisory body.
- ii. Ensures that the Cooperative has an appropriate risk management framework and that the Board of Directors receives the necessary and appropriate information regarding significant risks;
- iii. Assesses the effectiveness and degree of compliance with the Code of Conduct and Ethical Conduct as well as with corrective action plans, policies and procedures;
- iv. Receives reports from the Compliance Function and the Legal Service on issues related to regulatory and legal risks.

C. Internal Audit Function

- i. Monitors the effectiveness and independence of the persons responsible for audit procedures;
- ii. Ensures the adequacy of resources following consultation with the financial services and the Board of Directors and recommend the outsourcing of activities to the Board of Directors whenever necessary;
- iii. Reviews and approves the scope of the audits and the corresponding audit plan, to monitor the progress of audit procedures and to suggest to the Board of Directors how to integrate audit findings into the internal control system;
- iv. Monitors and evaluates the response of audited departments to the findings and recommendations of the Internal Audit Function;
- v. Ensures effective cooperation between the Internal Audit and Statutory Auditors functions;
- vi. Arranges for meetings of AC members with the Head of the Internal Audit whenever necessary.

D. Data Protection Function

- i. Ensures the adequacy of the function's resources for the execution of the scheduled plan in the specified range and recommends outsourcing activities to the Board of Directors whenever necessary;
- ii. Reviews and approves the scope and schedule of the corresponding plan, monitors the progress of the plan and suggests to the Board of Directors how to integrate findings into the internal control system;
- iii. Monitors and evaluates the response of audited departments to the findings and recommendations of the Data Protection Function;

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- iv. Arranges for meetings of AC members with the Data Protection Officer without the presence of other persons.

E. Other

- i. Assumes any other responsibility the Board of Directors considers necessary and relevant to this Charter;
- ii. Ensures that the responsibilities referred to in the Charter are fulfilled and in cases of divergences proposes a corresponding correction action plan and applies it appropriately.

17. Related Policies

Following its approval by the Board of Directors, the Charter is posted on the website of the Cooperative. The Charter does not prevail over the Articles of Association and the principles mentioned in the Policies approved by the Board of Directors and is consistent upon its implementation with the following Policies - without exhaustive reference being made-:

- Corporate Governance Framework;
- Conflict of Interest Policy;
- Fit and Proper Policy;
- Outsourcing Policy.



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