



**Corporate Governance Code**

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## PREAMBLE

### CORPORATE GOVERNANCE

#### **A. THE COMPANY AND HELLENIC CORPORATE GOVERNANCE LAW**

The Hellenic Corporate Governance Law is addressed to Greek companies with securities listed on a regulated market operating in Greece.

It is also addressed to Greek companies with securities negotiated in a Multilateral Trading Facility, such as the Alternative Market of the Athens Exchange, or any equivalent market, which have chosen to be subject to Law 4706/2020. The Company has been established as a Greek *société anonyme* (under Codified Law 2190/1920, already substituted by Law 4548/2018) with registered seat in Attiki Greece and has its shares admitted to trading on the Euronext Growth Stoch Exchange Market of Milan (former AIM) (“**Euronext Growth Milan**”), a Multilateral Trading Facility (MTF), within the meaning of Directive 2014/65/EU, operating in Italy. As a result, the Company is subject to (i) Greek legislation applying to Greek *sociétés anonymes*, in particular Law 4548/2018 (excluding however provisions of this law applying to companies listed on a regulated market or a MTF operating in Greece), (ii) rules and regulations applying to companies with securities admitted to trading on Euronext Growth Milan, among other, “AIM Italia Rules for Companies” and the harmonized “EURONEXT GROWTH MARKETS RULE BOOK”, and (iii) other EU legislation applicable to companies with securities admitted to trading on a MTF operating in an EU member state, all of the above as amended and/or substituted from time to time. Furthermore, the Company has the option to adopt and apply stricter corporate governance rules that those mandatorily applying thereupon, as it deems fit for its efficient and effective operation and pursuit of its objectives. To this end, the Company, by virtue of this Corporate Governance Code (the “Code”), adopts on top of its legal obligations certain provisions of Greek Law 4706/2020 on corporate governance as well as special practices incorporated in the 2021 Hellenic Corporate Governance Code (“HCGC”), as such are reflected in the present Code.

#### **B. NEUROSOFT’S CORPORATE GOVERNANCE CODE**

This Code aims at providing a clear description of Neurosoft SA (the Company) internal system of corporate governance, seeking to uphold its compliant operation on a long-term basis for the benefit of customers, shareholders and other investors, employees, directors and all other stakeholders (Principal stakeholders are the stockholders, management and the Board of Directors. Other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, and the community at large). The Code sets the processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled.

By adopting the Code, the Company and its BoD members wish to align themselves fully with the philosophy of these practices and to clearly state in to how this philosophy is transported into everyday practice. Through its efforts to ensure full transparency, the Company may, by means of its annual corporate governance report, disclose any cases of non-compliance with

the Code and explain the reasons for such non-compliance and elaborate on possible improvements (“comply or explain” principle). Finally, the Code provides guidelines on the internal functions of the company and its BoD but it does not affect the delegations of powers, under the applicable law and the Articles of Association, of its representative bodies in transactions with third parties.

**Specifically:**

The Code regulates the relationship between stockholders, directors and management as set forth in the Articles of Association corporate governance guidelines, and applicable rules and regulations. In addition, specific business conduct Guidelines (as determined in the Code of Conduct) regulate all directors, executives, officers and employees. The Company’s Articles of Association govern and rule the management of the Company and cover topics such as how directors are elected, how meetings of stockholders are conducted and what officers the organization has and a description of their duties. The Code gives the guidelines on the Directors' remuneration and the Company’s compliance policies, good practice, internal control and program and offer information about transactions involving related persons and investors relations.

The BoD reviews the Company’s Corporate Governance procedures at regular intervals and adopts any changes deemed necessary and appropriate.

It is hereto clarified that whatever is not regulated by this Code, it is regulated by the Company’s Internal Rules and all the Company’s adopted Policies, which all work auxiliary to this Code.

## **PART I. THE BOARD OF DIRECTORS AND ITS MEMBERS**

### **1. COMPOSITION OF THE BOARD OF DIRECTORS (BoD)**

1. **BoD mission:** The BoD is responsible for setting strategies, overseeing management and adequately controlling the Company, with the ultimate scope of upholding the general corporate interest in accordance with the applicable legislation and specifically the provisions of L. 4548/2018.
  
2. **Number of BoD members:** Under the provisions of the Company's Articles of Association, company's BoD is composed of five (5) to seven (7) members. A minimum number of non-executive BoD members of at least three (3) is provided, among whom one (1) at least member should be independent pursuant to the provisions of the Rules of Euronext Growth, Borsa Italiana. Specifically, the independent member is appointed upon the positive evaluation of the independency by the Nomad and must meet all the criteria for the election, namely: 1) he/she does not hold directly or indirectly more than 0,5% of the voting rights of the company's share capital and does not have financial, business, family or other relationships of dependence, which could affect his decisions and his judgment; 2. Does not receive any significant remuneration, benefit or compensation from the company and/or its affiliates (i.e. stock option plan, remuneration or benefits based on his/her performance, fixed benefits in the context of pension programs), other than the board membership or committee fees approved by the General Meeting of shareholders; 3) has not or has not had within the last three (fiscal) years prior his/her appointment a material business relationship with the company or company's related parties or a company's shareholder who holds directly or indirectly more than 10% of company's share capital, and such relationship affects or may affect company's business activities; in particular, such relationship exists in case such person is a significant supplier or client of the company; 4) has not served on the board of the company or its affiliates for more than 9 years from the date of his first election; 5) has not been a senior executive or employee of the company or its affiliates within the last three (fiscal) years prior his appointment; 6 ) does not have a second degree relationship with or is the spouse of a board member or senior managing official or shareholder who controls directly or indirectly, more than 10% of the company's share capital or its affiliates; 7) has not been appointed directly by a specific shareholder of the company (i.e. he/she is not elected by the shareholders' General Meeting but is appointed by a shareholder); 8) has not conducted or his relative up to a second degree relationship or his spouse compulsory audit to the company or its affiliates within the last three (fiscal) years prior his appointment; and 9) is not appointed as executive member in another company, in which an executive member of the company participates as a non-executive member.

3. **Role of BoD members:** The executive BoD members are involved in the Company's daily management and operation, while the non-executive BoD members supervise the proper operation of the Company and the implementation of the decided policies by the management with respect to all corporate issues.
4. **Role of independent non-executive BoD members:** Furthermore, the independent non-executive BoD members (INEDs) monitor and examine the business strategy and the implementation thereof, monitor the Company's management and safeguard the accuracy of the information provided to the Company's shareholders.
5. **Electing criteria:** The election of the BoD members by the General Meeting of the Company's shareholders is based on criteria related to their knowledge of the industry in respect, general professional experience, educational background and integrity. To this end, corporate matters are evaluated and governed by the BoD members, who by inference are professionals.
6. **Specific electing criteria for independent non-executive BoD member:** The independent non-executive BoD member is considered as significant part of the BoD composition since he/she has no material conflict of interest with the company and he/she is not closely related to the company's management and key shareholders with an impartial overview and the ability to express objectively their opinion. Specifically, during his/her service, the independent non-executive BoD member is not allowed to possess, directly or indirectly, more than 0.5% of the share capital of the company or have any other close or dependent relation with the Company. The specific criteria for the election of the independent members are set out in paragraph 2 above.

In determining the independence of board members, including those proposed for nomination, the BoD should evaluate the dependency pursuant to the criteria set by the Euronext Growth as set out above in paragraph 2 and Law 4706/2020.

In addition Law 4548/2018 sets out rules for a) loyalty, b) non-compete and c) transparency obligations for the members of the BoD. In brief:

a) **Loyalty (fiduciary duty):** The BoD members should: (i) not pursue own interests contrary to the interests of the company, (ii) disclose in due time to the other members of the board their own interests, which may arise from the transactions of the company, which fall within their duties, as well as any conflict of their interests with those of the company or its affiliates, (c) maintain strict confidentiality for company affairs and business secrets, which have become known to them as a consultant.

b) **Non- compete:** It is prohibited for the members of the BoD who are involved in any way in the management of the company to proceed, for their own account or for the benefit of third

parties without the permission of the General Meeting or the provision of the articles of incorporation, to any actions falling within the purposes of the company, as well as to participate as general partners or as sole shareholders or partners in companies pursuing such purposes.

c) **Transparency:** The conclusion of contracts between the company and members of its board shall be prohibited and shall be void, as well as the provision of collateral and guarantees to third parties in favor of such persons without special permission granted by a decision of the BoD or of the General Meeting shareholders. Said provision contains numerous exclusions from the general prohibition.

d) **Duty of care:** The BoD must abide with their obligations provided for in the law, the Company's Articles of Association and the resolutions of the General Meeting of shareholders, and act to the Company's benefit and best interests.

**e) Conflicts of interests**

All employees have a duty of loyalty to the Company. Conflict or potential conflict of interest may arise when employees are pursuing personal interests that conflict or may conflict to the Company's interests. The objective is a consistent process for avoiding and managing potential conflict of interest, which is included in the Company's Code of Conduct.

A conflict or potential conflict of interest may especially arise for a Board Member. A conflict or potential conflict of interest is a situation in which a Board Member or one of his or her family members has or legal entities controlled by the foregoing or may have a personal or financial interest that compromises or could compromise the Board Member's independence of judgment in exercising his or her responsibilities to the Company.

The Company has chosen to adopt the provisions of the Greek legislation in terms of the rules that govern the BoD, which are more strict than the Rules of Euronext Growth.

A corporate governance statement included in the annual report should provide information on the board's composition and include the names of the chairman, the vice-chairman, if any, the chief executive officer, as well as the heads and members of all board committees, if any. In addition, the statement shall name the non-executive member the board considers to be independent. The corporate governance statement should disclose the term of appointment of each board member and contain their brief biographies.

The Board is vested with the power to perform all necessary or useful acts in order to attain the Company's objectives, with the exception of acts specifically reserved by law or the Articles of Association to the shareholders' meeting or other management bodies.

Specifically, the Board is responsible for:

- defining the general policy orientations of the Company
- taking decisions on the main strategic, financial and operational matters of the Company

- supervising the executive management of the Company
- taking all measures necessary to guarantee the quality, reliability, integrity and timely publication of the Company's financial statements and other financial or non-financial information pertinent to the Company
- monitoring and reviewing the effective operation of the Audit Committee and the Nomination and Remuneration Committee
- adopting an internal control and risk management framework established by the executive management
- monitoring the quality of the services provided by the external auditor(s) and the internal audit, taking into account the assessment made by the Audit Committee

and

- all other issues conferred to the Board by the Greek Companies Law.

## **2. BOARD COMMITTEES**

1. The BoD of the company has established one (1) board committee for safeguarding the efficient and transparent governance of the Company, namely the Audit Committee.
2. The **Audit Committee** is composed of two (2) non-executive members and one independent non-executive member as Chairman.

## **PART II. OPERATIONAL RISK MANAGEMENT**

### **1. RISK MANAGEMENT**

For the purpose of identification and management of significant business risks, the Company's BoD maintains an operational risk management control system designed to identify potential events that may affect the Company and its operation and assess the risk with the purpose of providing reasonable assurance regarding the achievement of Company's objectives. Hence, the BoD has the option to appoint a two members operational risk management committee, which will review regularly the effectiveness of the risk management control system.

Until such Committee is appointed, the BoD will be responsible for Company's objective setting, event identification, risk assessment, risk response, activities control and monitoring. The BoD closely will cooperate with senior executives of the Company who deal with the strategic planning and manage the key functions in order to face such risk.



The BoD should maintain a sound system of internal control to safeguard the Company's assets, and ensure that significant risks are identified and adequately managed. The BoD should regularly review the corporate strategy, the main risks to the business, and the effectiveness of the system of internal control in managing these risks. The review should cover all material controls, including financial, operational and compliance controls, as well as the risk management systems. The BoD, through its audit committee should also develop a direct and ongoing relationship with and receive regular reports from the Company's auditors in respect of the effective functioning of the internal control system.

## **PART III. INTERNAL AUDIT FUNCTION-CORPORATE SECRETARY**

### **1. INTRODUCTION**

1. ***Internal Audit Function:*** The Company has also established the Internal Audit Manager, as an independent authority in order to ensure the proper operation of the company pursuant with the business goals, policy and procedures.
2. ***Internal Auditor's independence:*** The Internal Audit Manager is not controlled by or held liable before any other department of the Company and is only supervised by the Audit Committee and the BoD. The Internal Audit Manager is administratively subject to the Chief Executive Officer and operationally to the Audit Committee.
3. ***Appointment exemptions:*** Members of the BoD, managers or their relatives are exempted from being appointed as Internal Auditors.
4. ***Notifications:*** The Company notifies the members of the BoD of any changes in the composition or the organizational operation of the Internal Audit within ten (10) working days following such a change.
5. ***Internal Audit Manager mission:*** The Internal Audit Manager examines and evaluates the adequacy and effectiveness of the structure of the internal control system as well as system's effectiveness in achieving the company's set objectives.
6. ***Internal Audit operation:*** The key operation of the Internal Audit is to confirm to the shareholders the main objectives of the company have been fulfilled. Independency, objectivity and confidentiality are safeguarded as they constitute the main elements for the successful provision of his services.

7. **Compliance:** It is also in full compliance with the International Standards for the Professional Practice of Internal Auditing, as well as with the policies and the procedures of the company.
8. **Information access:** The Internal Audit has full access to all the files and data, employees, places and activities of the company, information necessary for the implementation of the audit.
9. **Confidentiality:** The Internal Audit is fully liable for preserving the confidentiality of such information. The BoD members cooperate and provide information to the Internal Auditor, easing his task by all means.
10. **Extent of responsibility:** The Internal Audit undertakes the responsibility of the audited areas as the quality of the decisions may not be checked, but the decision making, the decisions' execution and its effects are monitored by the Internal Audit, while the responsibility remains to the company's management.

## **2. PRINCIPLES OF THE INTERNAL AUDIT, QUALIFICATIONS AND RESPONSIBILITIES OF THE AUDITOR (S)**

### **2.1 Organizational independence of Internal Audit**

1. The organizational independence of the Internal Audit is preserved by reassuring that the Internal Audit Manager a) is appointed by the BoD. The BoD approves the Articles of Association under which the Internal Audit operates b) reports operationally to the Audit Committee and c) reports administratively to the Chief Executive Officer of the Company.
2. Specifically the BoD approves all the decisions regarding the appointment or the firing of the Internal Audit Manager, approves the Internal Audit Operations and approves the annual compensation of the Internal Audit Manager.
3. Within the framework of functional reference the BoD receives reports from the Internal Audit on the results of internal Audit functions.

### **3. CORPORATE SECRETARY**

The BoD is supported by a competent, qualified and experienced Corporate Secretary to comply with internal procedures and policies, relevant laws and regulations and to operate effectively and efficiently.

The Corporate Secretary is responsible, in consultation with the BoD, for ensuring immediate, clear and complete information of the BoD, the inclusions of new members, the organization of General Meetings, the facilitation of communication of shareholders with the BoD and the facilitation of communication of the BoD with senior management.

## **PART IV. INVESTOR RELATIONS**

### **1. General**

The Company appoints the Investor Relations Manager, who is responsible for the immediate, accurate and equal provision of information to shareholders, as well as for their support, regarding the exercise of their rights, in accordance with the applicable law and the Company's Articles of Association.

In particular, it notifies the shareholders on their obligations and it provides routine updating of the Company's affairs, as indicated in the regulations of Euronext Growth, Milan, Italy, where the Company is listed, such as:

- payment of dividends, new share issuance transactions, registration, resignation and conversion period for the exercise of the rights or changes in the initial time frame (e.g. extension of time for exercising the right).
- information provision about the ordinary and extraordinary general meetings and decisions.
- acquisition and disposal of treasury shares or possible cancellation of any of these.

#### *1. Disclosure of Information (price sensitive and non-price sensitive information)*

Company's Investor Relations Officer is responsible for monitoring the obligations of the Company towards the capital market and the stock exchange of Milan. In particular, the Company's competent Investor Relations Manager is responsible for:

- the company's compliance with disclosure requirements as set out by the Euronext Growth Milan .
- the Company's contact with the competent authorities of the Stock Exchange and the Capital Market Commission of Italy. The Company's obligations with respect to

information provision to the relevant aforementioned bodies are monitored by the Investor Relations Manager.

2. *Liabilities of the company to the Capital Market Commission of Italy*

The Euronext Growth rules for listed companies are followed by the Company.

## **PART V. REMUNERATIONS**

### **1. LEVEL AND STRUCTURE OF REMUNERATIONS**

#### **1.1 General**

The BoD has established remuneration guidelines to oversee the remuneration packages of the BoD members, particularly the executive directors, as well as the packages of the senior managers. It ensures that the remuneration arrangements enable the executive managers' focus on achieving long-term business objectives.

To this effect:

1. The BoD evaluates the adequate remuneration for each executive member, including bonus and incentive-based remuneration related to the distribution of shares.
2. It examines any remuneration based on the overall size of the annual revenues (i.e. excluding salary) compensations paid in the business.

#### **1.2 Remuneration disclosures**

The report which analyzes the remuneration of the BoD is included in the corporate governance statement of the Annual Financial Statements for each corporate use and includes:

1. Policy and principles adopted by the Company with regard to the remuneration development of executive BoD members.
2. The adopted evaluation method concerning the BoD members' performance and the calculation process for the remuneration's variable in relation to executives, including quantitative and qualitative criteria which are taken into account.
3. The main elements of the executives' employment contracts, including the duration of the contract.
4. The total remuneration paid to each BoD member during the year for their services in the Company and its affiliates, as salary, bonus, eventual severance payments, as well as a description of the type and amount of any other benefits granted.

## **PART VI. PROCEDURES FOR RELATED PARTY TRANSACTIONS**

This Part has been approved by the Company's General Meeting of Shareholders on [REDACTED], and constitutes an integral part of this Code.

The procedure for related parties as described in Annex A (the "Procedure"), governs the related parties transactions made by the Company or, under the limits disclosed in this part, by companies or individuals controlled by it or controlling the Company. The Company follows the provisions of article 99 of the L. 4548/2018 in terms of the related parties processes as well the respective procedures and rules of Euronext Growth Stock Exchange Market since the Company is listed to this market.

The respective controls of such transactions have been assigned and performed by an appointed team outside the company.

## **PART VII. Guidelines for preparing corporate governance statement**

This section aims to provide guidance on the presentation and content of the Corporate Governance Statement required by Law 4548/2018 that the Company has elected to apply.

In line with this Code, for each financial year a company should: include in its annual report a separate section with the Corporate Governance Statement, which should contain, in conjunction with the provisions of Law 4548/2018, a statement that it has voluntarily decided to comply with certain provisions of law 4706/2020 and the HCGC as such as reflected in this Code.

Such explanation should not be limited to a simple reference to the practice the company does not comply with, but should be clearly and specifically justified. In particular, such explanation should:

- be specific to the company's position, not generic or off-the-shelf,
- be meaningful, in that it sets the context and reason for non-compliance;
- be understandable and persuasive,
- assess the risk of non-conformity and describe the mitigating action to address any additional risk and to maintain conformity with the relevant principle,
- indicate whether the deviation from the Code's provisions is limited in time and when the company intends to return to conformity with the Code's provisions, and with reference to any alternative practice that the company has adopted as more appropriate, and for what reasons the company considers it more appropriate and useful in the context of high

corporate governance standards. In this way, investors and stakeholders are able to assess even if the company does not apply any Code practice, if it does indeed understand the importance of corporate governance and achieves the required efficiency with the quality of the explanation.

The statement shall contain the minimum content of Article 152 of Law 4548/2018 as well as the minimum content of Article 18 of Law 4706/2020.

In addition, it includes the response of the company to special practices and recommendations, in accordance with the provisions of the Code. Indicatively, it includes at least the following:

- i. the number of meetings of the Board of Directors and individual attendance by board members in the meetings;
- ii. the number of meetings of board committees and individual attendance by committee members in the meetings;
- iii. a short description of the composition and the conditions of operation, the work and the responsibilities of the committees of the Board of Directors, as well as a description of the issues discussed at their meetings;
- iv. a description of how the performance evaluation of the Board of Directors and its committees has been conducted.

The Corporate Governance Statement includes information on board members including:

- i. the identification of the chair, the vice-chair (if appointed), the Chief Executive as well as the chair and members of board committees;
- ii. the identification of the non-executive board members that the board views as independent and, where necessary, the rationale behind this view;
- iii. short biographies of each board member and the Corporate Secretary,
- iv. the term of appointment of each board member (and the date the term ends);
- v. other professional commitments of each board member (including significant non-executive engagements in companies and non-profit institutions).

The Corporate Governance Statement includes information on risk management and internal control:

- i. a description of the main features of the company's internal control system;
- ii. reference to the results / findings of the Evaluation Report, the risks and consequences of any findings, the response of the management of the companies, as well as the implementation of the plans with the relevant schedules,

iii. a statement that the board has reviewed the corporate strategy, the main risks to the business and the system of internal controls;

iv. in the event that the statutory auditors or the audit firm provides non-audit services to the company, an explanation of how auditor objectivity and independence is safeguarded.

The Corporate Governance Statement includes information on the remuneration of the members of the Board of Directors. To this end, the Corporate Governance Statement will incorporate the remuneration report of members of the Board of Directors.

Specific reference:

i. to the diversity policy applied by the company in relation to the composition of its board and the percentage of each gender in the composition of the board and senior executive team;

ii. specific reference to policies ensuring that the Board of Directors has sufficient information for deciding on related parties transactions, including transactions of subsidiaries with related parties.

The Corporate Governance Statement shall include, but not be limited to, information on the sustainable development policy (ESG) followed by the company:

i. a description of the key elements of the policy adopted and implemented on ESG issues, with a view to promoting its corporate interest and competitiveness;

ii. a reference to the essential non-financial issues relating to its long-term sustainability and how these are addressed;

iii. reference to the standards used by the company for the disclosure of such non-financial information.

Finally, the Board of Directors should briefly describe the evaluation process of its own performance and that of its committees, as well as a summary of any findings and corrective actions.

The Corporate Governance Statement as a whole will be audited by a certified auditor in accordance with the procedures agreed with the company.

## **Annex A. Related Parties Process**

The related party transactions process aims at describing how related parties' transactions should be approved according to applicable legal framework and must be followed by the Company personnel before signing/approving a transaction with a related party. Therefore a dedicated external team assesses whether each such transaction falls under the exemptions of paragraph 3 of article 99 of Law 4548/2018 and provide a decision to that respect (hereinafter the "Assessment/Exemption Team and/or ExT").

### **Identification of Related-Party Transactions**

Transactions among related parties may indicatively take the form of an agreement with terms and conditions governing individual transactions, a work order, a purchase order etc. or any other equivalent form.

It is the responsibility of each Business Owner (BO) to determine if the contract counterpart is a related party and in this respect the BO may seek assistance by the Finance/Operational Finance Team (OFT).

### **Identification of exemption of Related Parties Transaction**

If OFT has determined that Related Parties are involved, it forwards the case to the Assessment/Exemption Committee (ExCom) to evaluate if the related transaction falls under the exemptions of par.3 of article 99 of Law 4548/2018 which shall provide a relevant report to this end. The request must be accompanied by the respective draft contract or/and the relevant work order or purchase order etc. or any other document of equivalent form that bears the necessary clearance by the relevant business and legal unit (hereinafter collectively referred to as the "Agreements" and each one of them as an "Agreement").

The company follows the provisions of article 99 till 104 of Law 4548/2018 and the rules of Euronext Growth, especially related to the size of transactions whose value exceeds 5% of the Company's assets. For the purpose of calculating the aforementioned quantitative limit of 5%, all transactions with the related party or with another person directly or indirectly controlled by it that have been completed within the same financial year are taken into account cumulatively.

Agreements regarding the remuneration of the members of the Company's Board of Directors and of the CEO, as well as of members of the Management, as such are defined in International Accounting Standard 24, to which the provisions of articles 109 and 113 to 114 of Law 4548/2018 apply.

Agreements between the Company and its one hundred percent (100%) owned subsidiaries or with a subsidiary to which no related party participates.



Agreements between the Company and a Company directly or indirectly controlled by it, or guarantees or warranties in favor of such Company, which are concluded or provided to the interest or for the benefit of that Company, or which do not put at risk the latter's interests or the interests of minority shareholders. In that case, the Board of Directors shall draft a "fairness opinion" for that purpose.

If the ExT decides that the specific transaction does indeed fall under the above exemptions by virtue of Law 4548/2018, it informs the Business Owner to proceed with contract finalization without BoD approval for related parties and a relevant exemption report to that effect is signed by the ExT.

If the ExT decides that the relevant transaction does not fall under the above exemptions provided by Law 4548/2018, it will forward such transaction to the Company's independent consultant (either a chartered accountant auditor or audit firm or other independent third party) for assessing whether or not the transaction is fair and reasonable from the perspective of the Company and of the shareholders who are not a related party, including the Company's minority shareholders, and for explaining the assumptions it is based upon in a fairness opinion as originally contemplated by the internal process of related parties transaction.

If the ExT asserts it cannot reach decision whether a certain transaction falls under the exemptions of paragraph 3 of article 99 of Law 4548/2018, the ExT reserves the right to submit the respective transaction to the Company's independent consultant, which following the examination/evaluation of the case will either (a) provide an exception report describing the respective exemption criteria, and respective supporting documentation, when necessary or (b) provide a fairness opinion, as per the above described process, in case the transaction is not exempted.

**Provision of fairness opinion or exemption report**

Further to ExT decision, OFT forwards the case to the Company's independent consultant and request for the provision of an independent fairness opinion to review the commercial terms involved in the transaction and analyze whether the transaction is at "arm's length", as if the party was unrelated, and well informed, on an equal footing, looking out for its individual interest. In addition to evaluating whether the transaction results in a conflict of interest, the Company also considers the additional tests such as whether the transaction is commercially negotiated, whether it is necessary for business opportunities for growing new or existing markets and any other matters the Company considers relevant.

The fairness opinion is conducted by an independent auditor or third party, assessing whether the transaction is fair and reasonable for the Company as well as for the non-related parties, including the minority shareholders and explaining the assumptions on which it is based and the methods applied in

drafting it. Persons who are considered as related parties shall not participate in the preparation of the fairness opinion.

The independent third party will examine the respective request and will reply by

- a. Either providing the requested fairness opinion or
- b. By providing a report of why the requested fairness opinion cannot be supplied;

#### **Related-Party Transactions Approval**

The competent body for the granting of specific permission of related party transactions is the Board of Directors, according to the applicable Law, as in force. The approval has to be granted prior to the conclusion of the transaction and has a validity period of 6 months, within which the transaction must be completed e.g. the Agreement must be signed.

Once the respective Agreement is approved by the BoD, the Company's Corporate Secretary will notify the Finance Director that will proceed with all necessary actions so that the BoD approval is submitted to GEMI in accordance with the applicable legislation.

Within ten (10) and fifteen (15) calendar days as of the publicity of the GEMI announcement respectively, granting approval by the Board of Directors of the Related Party transaction in question, the shareholders that represent one twentieth (1/20) of the share capital may request the convocation of a General Meeting to decide on the granting of the approval.

The Agreement for which an approval was granted by the Board of Directors shall be considered definitively valid only after the lapse of the deadline of ten (10) days without action or after the granting of the approval by the General Meeting or after the declaration in writing of all shareholders to the Company that they do not intend to request the convocation of a General Meeting, in accordance with applicable framework. Following the occurrence of any of the above mentioned, ie either the lapse of the deadline of ten days, or the grant of approval by the General Meeting of the Company if shareholders that represent one twentieth (1/20) of the share capital request its convocation for approval of the relevant related parties transaction or the declaration in writing of all shareholders to the Company that they do not intend to request the convocation of a General Meeting, the relevant Agreement can be signed and the transaction proceeds. It should be noted that in the case of lapse of the ten (10) and fifteen (15) days deadline a second GEMI announcement will be published regarding the lapse of such deadline.

Finally, the corresponding business owner is adequately notified that he/she can proceed with the execution of the respective contract.

All transactions with related parties may be reviewed by the Audit Committee so as to monitor potential conflicts of interest in related party transactions.