

**RULES OF PROCEDURE OF THE AUDIT COMMITTEE  
OF MOTODYNAMICS SA (the "Company")**

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## 1. Legal Framework

Corporate governance describes how companies listed on a regulated market are managed and audited and is structured as a system of relationships between the Company's Management, the Board of Directors ("BoD"), its shareholders and other stakeholders.

The main principles of corporate governance arise from Law 4706/2020 and Law 4449/2017, as amended and in force, and refer, inter alia, to the fitness and propriety of the BoD and the independence criteria applying to independent Directors, the establishment and operation of BoD committees, the content of the BoD internal rules of procedure and the obligation of the BoD to define and supervise the implementation of the corporate governance system, the organization and the operation of the Internal Audit Department and other provisions.

Specifically, the composition, structure and responsibilities of the Audit Committee ("the Committee") are set out in Article 44 of Law 4449/2017 (which transposed European Directive 2014/56/EU), and in the relevant circulars, decisions and clarification letters of the Hellenic Capital Market Commission (e.g. Decision 5/204/14.11.2000 and the letters with Reg. No. 1302/28.4.2017 and 1508/17.7.2020).

These Rules of Procedure of the Committee ("the Rules") set out the responsibilities and obligations of its members in accordance with the above provisions.

## 2. Purpose of the Committee

The purpose of the Committee is to support the BoD in its duties as follows, while Directors shall remain fully responsible; in particular:

- supervising the adequacy and effectiveness of the Company's internal audit system, and in particular of the quality assurance, regulatory compliance and risk management systems;
- monitoring of the financial reporting procedure on an individual and consolidated basis and of the audit by statutory auditors to ensure integrity;
- monitoring the performance of the Internal Audit Department;
- the procedure for the selection of statutory auditors and the procedure for approval by the Committee of any non-audit services provided by the statutory auditor with a view to ensuring their independence.

### **3. Composition, structure, staffing and term of office**

3.1. The type of the Audit Committee and the term of office, number and capacities of its members are decided by the General Meeting ("GM"). The Committee consists of at least three (3) members and is:

- a BoD committee, solely consisting of non-executive Directors, or
- an independent committee, consisting of non-executive Directors and third parties (elected by the General Meeting)
- or an independent Committee solely composed of third parties.

3.2. The members of the Audit Committee shall be appointed by the competent body under paragraph 1 (c) of article 44 of Law 4449/2017.

3.3. The majority of the Committee members shall be independent, in accordance with the provisions of par. 1 and 2 of article 9 of Law 4706/2020, and the Committee Chairperson, appointed by its members or elected by the Shareholders' General Meeting shall also be independent.

3.4. All Committee members shall have proven and sufficient knowledge in the field in which the Company operates.

3.5. At least one (1) independent Committee member shall have a sufficient auditing and accounting (international standards) background, in order for the Committee to be able to effectively supervise audit procedures and relevant accounting issues and to implement its obligations under paragraph 3 of Article 44 of Law 4449/2017. The said member shall attend the meetings of the Audit Committee that deal with the approval of financial statements.

3.6. The Committee members shall meet the eligibility criteria throughout their term of office, in accordance with the provisions of paragraph 3 of Article 10 of Law 4706/2020 and shall be assessed during the annual independence assessment test.

3.7. The Committee members may participate in similar committees of other companies, as described in the Fit and Proper Policy, unless the Board of Directors deems that the parallel term in several audit committees prevents such members from effectively fulfilling their obligations.

3.8. The members of the Committee shall in no case maintain any parallel position or capacity or enter into any transactions that could be considered incompatible with the mission of the Committee or give rise to any conflict of interest as described in the Company's Conflict of Interest Prevention and Response Policy and Procedure.

3.9. The Committee members' term of office shall be equal to the length of the BoD's term of office and may not exceed nine (9) years.

3.10. In the event of resignation, death or loss of Committee membership for any reason, the BoD shall appoint, from among existing Directors, a new member to replace the member to be replaced for the remaining term, subject, if applicable, to paragraphs 1 and 2 of article

82 of Law 4548/2018, which shall apply accordingly. The election decision shall be publicly disclosed and announced at the subsequent General Meeting, which shall be entitled to replace the elected person, even if there is no relevant item on the agenda. In the event that the replaced member is a third person and is not a Director, the BoD shall appoint a third non-Director as a temporary replacement, and the next General Meeting shall proceed either to the appointment of the same member or to the election of another, for the period until the end of his/her term in the Committee.

#### **4. Audit Committee Meetings**

4.1. The Committee shall meet in the presence of all its members at regular intervals and exceptionally, whenever deemed appropriate and necessary, at the invitation of its Chairperson. The Chairperson shall determine the items to be discussed, the frequency and the duration of the meetings and shall ensure that the Committee performs its duties effectively. Each of the Committee members shall be notified of the place, time and date of each meeting. The items on the agenda, as well as the relevant documents, shall normally be made available to each member at least two (2) working days prior to the meeting, unless the Chairperson decides not to forward them for a specific important reason. As regards other issues, items on the agenda sent to Committee members later than two (2) working days prior to the scheduled date of the meeting shall only be accepted for discussion at the upcoming meeting following a unanimous decision of the Committee members. The relevant documents may also be delivered by email.

4.2. The Company's Committee shall convene regularly at least four (4) times during the year, that is, each time the financial results of each quarter are presented to the BoD. In addition, the Committee may meet with the external auditors at any time it deems appropriate, while it shall have the discretion to invite Company executives whenever it deems appropriate, including the CEO, the Internal Auditor, the Chief Financial Officer and other managers involved in the Company's governance, to attend specific meetings or handle specific items on the agenda.

4.3. The Committee shall be in quorum when two of its members are present, including the independent member with the relevant expertise and experience, while participation by proxy shall not be allowed. Decisions shall be made by the absolute majority of the attending members, with the Chairperson having a casting vote in the event of a tied vote.

4.4. The Committee may also appoint a secretary, who shall attend the meetings and keep the minutes of the Committee. For the meetings of the Committee, minutes shall be kept by its secretary, or by any Committee member; such minutes shall be approved and co-signed by all attending Committee members prior to the next meeting, in accordance with Article 93 of Law 4548/2018 and paragraph 1 of Article 44 of Law 4449/2017, while exact

copies shall be issued by the Committee Chairperson.

4.5. The Committee may, by decision of its Chairperson, meet by means of teleconference. The participation of a Committee Member in a meeting by means of teleconference shall be considered valid for this purpose. The drawing up and signing of minutes by all Committee members shall constitute a decision even if no meeting has been held beforehand. Moreover, the Committee may take decisions on certain matters by e-mail, fax or letter exchange.

4.6. The Committee shall examine any matter referred to it by the BoD Chairperson or the BoD.

4.7. The Committee Chairperson shall report to the BoD on a quarterly basis following a relevant meeting of the Committee or, where appropriate, shall submit to the Directors the minutes of the Committee meeting, providing explanations and clarifications on the Committee's decisions.

## **5. Tasks and responsibilities of the Committee**

For the purpose of fulfilling its mission, the Committee shall have all the responsibilities specified in paragraph 3 of Article 44 of Law 4449/2017, as supplemented by the documents of the Hellenic Capital Market Commission with Reg. No. 1302/28.4.2017 and 1508/17.7.2020, and its relevant obligations shall include, without being limited to, the following:

### **5.1. Statutory audit of financial statements**

The Committee shall monitor the procedure and conduct of the statutory audit of the Company's financial statements and in particular its performance of such audit, taking into account any findings and conclusions of the Competent Authority in accordance with paragraph 6 of Article 26 of Regulation (EU) No 537/2014.

- The Committee shall be informed by the statutory auditor of the annual statutory audit plan prior to its implementation, shall evaluate such plan and shall ensure that the plan covers the most important audit areas, taking into account the Company's main business and financial risk areas. Furthermore, the Committee shall make proposals and recommend on other important issues, where appropriate.
- The Committee shall contact the statutory auditor in good time in view of the audit report preparation and the auditor's supplementary report to the Committee.
- It shall inform the BoD by submitting a relevant report on the issues that arose from of the statutory audit, explaining the following in detail:

- the contribution of the statutory audit to the quality and integrity of financial reporting, i.e., the accuracy, completeness and correctness of the financial reporting, including the relevant disclosures approved by the BoD and made public;
- the role of the Committee in (i) above, i.e., a record of the actions taken by the Committee in the context of the statutory audit. As part of the above information to the BoD, the Committee shall take into account the content of the supplementary report submitted to it by the auditor; such report shall contain the results of the statutory audit carried out and shall meet at least the specific requirements in accordance with Article 11 of Regulation 537/2014 of the European Parliament and of the Council of 16 April 2014.

## **5.2. Financial reporting procedure**

The Committee shall monitor the financial reporting procedure by submitting recommendations or proposals to the BoD to ensure its integrity. In this context, the Committee shall:

- Be informed about the procedure and timing of the preparation of the financial information by Management.
- Review the financial reports prior to their approval by the BoD in order to assess their completeness and consistency in relation to the information that has been brought to its attention as well as with the accounting principles applied by the Company and shall inform the BoD accordingly.
- Monitor, review and assess the financial reporting procedure, i.e., the production mechanisms and systems, the flow and the dissemination of financial information generated by the Company's relevant units. The said actions of the Committee shall also include other publicly disclosed information of any nature (e.g., stock exchange announcements, press releases) in relation to financial information. In this context, the Committee shall inform the BoD on its findings and shall submit proposals for improving the procedure, if deemed appropriate.
- Review the disclosed information on internal audit and the Company's main risks and uncertainties in relation to financial reporting. In this context, the Committee shall inform the BoD on its findings and shall submit proposals for improvement, if deemed appropriate.
- In its review, the Committee shall be required take into account and examine the most important issues and risks that may affect the Company's financial statements, as well as the significant judgments and estimates of the Management made during the

preparation of such financial statements. The following are examples of issues that may need to be addressed, assessed in detail and reported to the BoD by the Committee to the extent that they are important for the Company:

- Assessment of the use of the going concern assumption.
  - Significant judgments, assumptions and estimates in the preparation of the financial statements (e.g., recognition of income/expenses).
  - Valuation of assets at fair value.
  - Asset recoverability assessment (e.g. collectability of customer balances).
  - Accounting treatment of acquisitions.
  - Adequacy of disclosures on significant risks faced by the Company.
  - Significant transactions with related parties.
  - Significant unusual transactions.
- For the implementation of the above, the Committee may hold meetings with the Management/competent executives,
  - as well as with the statutory auditor at the audit planning stage, during the audit and at the stage of audit report preparation.

### **5.3. Selection and Independence of Statutory Auditors**

The Committee shall:

- be responsible for the statutory auditor or auditing company selection and shall propose the same to be appointed in accordance with article 16 of Regulation No. 537/2014; and,
- review the independence of statutory auditors and audit firms, in accordance with Articles 21-23, 26 and 27 of Regulation No. 537/2014 and in particular the suitability of the provision of non-audit services by the statutory auditor, in accordance with Article 5 of the same Regulation.

### **5.4. Monitoring of Internal Audit, Risk Management, Regulatory Compliance Systems and of the Internal Audit Department**

The Committee shall supervise all functions of the internal audit system as regards all audit mechanisms and procedures, including risk management, internal audit and regulatory compliance, which constantly covers every activity of the Company and contributes to its safe and effective operation. In particular, the Committee shall:

- Monitor, review and assess the adequacy and effectiveness of all the Company's financial reporting-related policies, procedures and controls (according to Article 44(3)(c) of

Law 4449/2017 and of Decision no. 1302/2017 of the HCMC).

- Monitor and inspect the audit functions of the Internal Audit Department in accordance with professional standards, as well as the applicable legal and regulatory framework, and evaluate the department's work, adequacy and effectiveness without, however, affecting its independence.
- Supervise and submit proposals for approval by the BoD regarding the Rules of Procedure of the Internal Audit Department (Law 4706/2020 - Article 16 (1)).
- Evaluate the staffing and organisational structure of the Internal Audit Department and identify any weaknesses. If deemed appropriate, the Committee shall submit proposals to the BoD to ensure that the Internal Audit Department has the necessary means, is adequately staffed with employees having sufficient knowledge, experience and training, is not impeded by any restrictions on its work and is as independent as specified.
- Propose to the BoD the appointment or removal of the head of the Internal Audit Department (Article 15 of Law 4706/2020) and assess the Company's Internal Auditor on an annual basis.
- Receive and review the annual audit plan, the required resources as well as the impact of any restrictions on resources or the audit work of the Internal Audit Department in general (according to par. 5 of Article 15 of Law 4706/2020).
- Ensure that the annual audit plan of the Internal Audit Department (in conjunction with any similar medium-term plans of other assurance means) covers the most important audit areas and systems related to financial reporting based on the Company's risk assessment. Upon completion of the review, the Audit Committee shall submit any relevant proposals to the BoD. The finalized annual audit plan shall be approved by the BoD.
- Have regular meetings with the head of the Internal Audit Department to discuss issues of his/her competence, as well as any problems that may arise from internal audits.
- Order specific audits not included in the annual audit plan, in areas of the Company's business for which it considers that the risk level is increasing or high.
- Take note of the work of the Internal Audit Department through audit reports and quarterly reports.
- Monitor the effectiveness of the internal audit systems, in particular with respect to the adequacy and correctness of the financial and non-financial information provided, risk management, regulatory compliance and the corporate governance code adopted by the Company, mainly through the work of the Internal Audit Department and the auditor's work.
- Be updated by the Regulatory Compliance Officer on the extent to which the Company has achieved compliance with the regulatory and legislative framework, as well as the internal regulations governing its operation; in addition, approve the Company's relevant Regulatory Compliance Action Plan (pursuant to HCMC Decision no. 1/891/2020).
- Review the Company's Management System for major risks and their periodic



revision. In this context, assess the methods used by the Company to identify and monitor risks, deal with major risks through the Risk Management System and properly disclose them in the published financial information.

- Monitor the implementation of the conflict of interest prevention policy for the Company's senior executives.
- Review and report to the BoD on conflicts of interest in the Company's transactions, after receiving sufficient information on transactions between related parties.
- Propose to the Board of Directors the selection of a candidate assessor to assess the Company's internal control system, monitor the assessor's work and inform the BoD of the assessment results, in accordance with the provisions of Law 4706/2020 and Decision No. 1/891/30.9.2020 of the Hellenic Capital Market Commission.
- On a quarterly basis, submit to the BoD the quarterly reports of the Internal Audit Department with the most important issues and proposals of the Internal Audit along with its remarks (pursuant to Article 16 of Law 4706/2020).
- Submit other reports to the BoD on its fields of competence, in areas where the Committee, upon completion of its work, considers that there are substantial issues in relation to the financial information provided and report in relation to the Management's response thereto.

## **6. Other operating matters**

- 6.1. For the fulfilment of its purpose, the Audit Committee shall have seamless and full access to the information it needs in order to perform its tasks.
- 6.2. The Company's executive Directors, Management and management executives shall be required to respond to relevant requests of the Audit Committee for the provision of information.
- 6.3. The Company's Management shall ensure the secretarial support of the Committee and arrange for the resources necessary for the implementation of the Committee's work. The Committee's budget shall be approved by Company's BoD.
- 6.4. In order to fully and effectively carry out its mission, the Committee shall frequently contact and cooperate with the BoD, the Internal Auditor, the External Auditors and the Company's management executives.
- 6.5. The Committee may employ legal, financial or other external advisers if they are necessary for the proper performance of its tasks.
- 6.6. The Committee shall submit to the BoD reports and/or minutes of its meetings with findings and decisions regarding its fields of activity.

- 6.7. The Chairperson of the Committee shall ensure that the assessment of the Committee's work is organised on an annual basis.
- 6.8. Submit an annual report on its activities to the Company's Ordinary General Meeting, based on its responsibilities and the issues it has dealt with. The said report shall include a description of the sustainable development policy pursued by the Company (according to the provisions of article 44, paragraph 1 of Law 4449/2017). The activity report shall be posted on the Company's website.
- 6.9. The Company shall be required to submit to the Hellenic Capital Market Commission, within 20 days, the minutes of the General Meeting and/or the BoD meeting concerning the composition and in particular the election, appointment, replacement, as well as the term of office of the Committee members.
- 6.10. The Committee members may be entitled to special remuneration. The amount of such remuneration shall be determined by the General Meeting and Company's BoD. In case a third-party non-Director is elected as member of the Committee, the BoD shall determine such member's remuneration which shall in any case be approved by the Shareholders' General Meeting .

## **7. Validity and review of the Rules of Procedure**

These Rules shall enter into force immediately upon their approval by the Company's BoD. The Committee may review and reassess its Rules of Procedure on an annual basis. Any amendment of these Rules shall be subject to approval by Company's BoD.

The Committee's Rules of Procedure shall be posted on the Company's website, in accordance with article 74 of Law 4706/2020.