

The logo for HEDNO, consisting of the word "HEDNO" in white, uppercase, sans-serif font, centered within a dark blue, stylized speech bubble or arrow shape pointing to the right.

**HEDNO**

# **RULES OF PROCEDURE OF THE HEDNO SA AUDIT & PROCUREMENT COMMITTEE HENDO S.A.**

BoD decision 256/28-1-2021

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## **CONTENTS**

### **ARTICLE 1**

Establishment of the Audit & Procurement Committee

### **ARTICLE 2**

Duties and Responsibilities of the Audit & Procurement Committee

### **ARTICLE 3**

Composition - Structure - Term of office of the Audit & Procurement Committee

### **ARTICLE 4**

Incompatibilities - Ethics Requirements  
- Confidentiality Protection - Privacy Policy

### **ARTICLE 5**

Meetings of the Audit and Procurement Committee

### **ARTICLE 6**

Transparency and Evaluation

### **ARTICLE 7**

Jurisdiction

## **1 ARTICLE** **Establishment of the Audit and Procurement Committee**

The establishment of the Audit and Procurement Committee of HEDNO SA provided in article 19 of the Company Articles of Association, pursuant to provisions of Law 4643/2019. The members of the Audit and Procurement Committee, including its Chairman, are appointed by a relevant Decision of the General Meeting of the Company pursuant to the provisions of Article 19 of the HEDNO SA. Articles of Association.

## **2 ARTICLE** **Duties and Responsibilities of the Audit and Procurement Committee**

The responsibilities of the Audit and Procurement Committee shall be, inter alia, to:

- a)** Inform the Board of Directors of the Company of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the Committee's role was in this process,
- b)** Monitor the financial reporting process and offer recommendations or proposals to ensure its integrity
- c)** Monitor the effectiveness of the Company's internal control, quality assurance and risk management systems and, where appropriate, its internal audit department with regard to financial information, without infringing on the Company's independence,
- d)** Monitor the mandatory 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, article 26, Regulation (EU) No. 537/2014,
- e)** Review and monitor the independence of chartered certified accountants or accounting offices in accordance with Articles 21,

22, 23, 26 ,and 27, 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,

**(f)** Be responsible for the selection process of certified accountants or accounting offices proposed at the Shareholders General Meeting.

**(g)** Pre-approve all audit and non-audit services provided to the Company by certified accountants or accounting offices that undertake the statutory audit of its financial statements.

**(h)** The monitoring and supervision of the proper implementation of the Regulation for Works, Procurement and Services on a sample basis.

**(i)** The submission of an annual report to the Board of Directors regarding the performance of the Company's procedure for assigning works, procurement, and services contracts, based on specific indicators, with the aim of enhancing efficiency, reducing related risks and linking the Procurement operation to corporate strategy and policies.

**(k)** The recommendation to the Board of Directors of amendments to the Regulation of Works, Procurement and Services and in general of measures to improve the performance of the Company Procurement operation.

**(l)** Informing the Board of Directors on the issues that are the subject of the Committee at least two (2) times a year, as well as exceptionally if required.

In order to carry out its work, the members of the Committee shall have the right to be informed of the relevant files, documents or elements of the Company.

### 3 ARTICLE

#### **Composition - Structure - Term of office of the Audit and Procurement Committee**

The Committee shall be comprised of five (5) members, which shall be appointed by the General Meeting, as follows:

**A.** Three (3) members, which may be members or non-members of the Company's BoD. A member or members of the Board of Directors that are appointed as members of the Committee shall all be non-executive members and the majority of them independent of the Company, within the meaning of the provisions of Law 3016/2002 (A 110) to the extent that they remain in force in accordance with articles 91 par. 1 and 92 par. 3 of law 4706/2020, as well as within the meaning of the provisions of law 4706/2020, while at least one (1) member of the Committee that is independent of the Company, with sufficient knowledge and experience in auditing or accounting, shall be required to attend Committee meetings on the approval of financial statements.

**B.** Two (2) members, pursuant articles 9, 10, Law 4643/2019, which are selected from the list of persons with proven experience in the field of works, procurement and service contracts and which are independent of the Company, within the meaning of the provisions of Law 3016/2002 (A 110) to the extent that they remain in force in accordance with articles 91 par. 1 and 92 par. 3 of law 4706/2020, as well as within the meaning of the provisions of law 4706/2020.

The term of office of the members of the Audit and Procurement Committee shall be three years and may be renewed once; in respect of the members of the Audit and Procurement Committee who are also members of the Board of Directors of the Company, the term shall be terminated upon loss of member status of the Board of Directors in any way.

In case of resignation, death or loss of member status, the Board of Directors appoints from its existing members, a new member to replace the one who is missing, for the period until the end of his term, subject, if applicable, of par. 1 and 2 of article 82 of law 4548/2018 (k 104), which is applied accordingly.

When the member of the previous paragraph is a third person, not a member of the Board of Directors, the Board of Directors appoints a third person, a non-member of the Board of Directors, as a temporary replacement, and the next General Meeting either nominates the same member or elects another the period until the end of his term of office on the Committee.

The Chairman of the Committee who cannot be the same person as the Chairman of the Board, is appointed by its members, and is independent of the Company.

The General Meeting will review the composition of the Committee and, at the latest at the end of the above three-year term of the members of this Committee, will appoint its new members.

The members of the Committee must meet the eligibility criteria as described in the current regulatory framework, while the number of its members and their total combined knowledge, must reflect the business model and the financial conditions of the Company.

The remuneration of the members of the Audit and Procurement Committee is determined by a decision of the Board of Directors and is approved by a decision of the General Meeting of the Company. The remuneration corresponds to the scope of their duties, taking into account, among other things, the complexity - breadth of their work, the time of employment required, the degree of responsibility and the level of remuneration of the Board of Directors members.

#### **4 ARTICLE** **Incompatibilities - Ethics Requirements - Confidentiality Protection - Privacy Policy**

The members of the Audit and Procurement Committee must not hold parallel positions or occupy roles or carry out transactions that could be considered incompatible with the mission of the Committee. Participation in the Committee does not exclude the possibility of participation of members in other committees of the Board of Directors that are not involved in the day-to-day administration and management of corporate affairs.

#### **5 ARTICLE**

The Audit and Procurement Committee will meet at the Company's headquarters at least six (6) times a year or more often, at the invitation of the Chairman of this Committee. The invitation can be faxed or emailed. The frequency and timing of the Committee meetings are proportional to the scope of its responsibilities, taking into account, inter alia, the activity, size, business environment and business model of the Company.

In addition, the Board of Directors may also request the Committee to hold additional meetings to discuss, review and report on any matters which fall within the scope of this Committee and which the Board of Directors may deem necessary to address.

Decisions of the Committee at each of its meetings shall be taken by an absolute majority of the total number of members present. In the event of a not unanimous decision, the views of the minority shall be recorded in the minutes. The Audit and Procurement Committee may meet by teleconference at the invitation of the Chairman, which shall include all the necessary information for the conduct of the teleconference. The invitation can be faxed or emailed.



The Audit and Procurement Committee may request any other person of the Company to attend its meetings in order to assist in the discussion and consideration of any specific issue. The above persons have the obligation to participate in the meetings of the Committee to which they are invited.

An agenda is prepared for the meetings of the Committee, which is determined by the Chairman of the Committee, which contains all the necessary information that ensures that the members of the Committee have sufficient and timely information about the Meeting, three (3) working days before the meeting.

An employee from the regular staff of the Company is appointed as Secretary of the Audit and Procurement Committee by Decision of the Company CEO. They are responsible for keeping records of the respective practices. The discussions and decisions of the Committee are recorded in minutes, which are signed by the present members, in accordance with article 93 of Law 4548/2018, as in force, and the relevant periodic information is given to the Board of Directors.

The Committee shall keep in detail all the necessary information, including the minutes of its meetings in which its actions and results are recorded regarding the implementation of its work. To this end, the Committee may include in the minutes reports, presentations and any other material which has been considered and discussed by its members.

## **6 ARTICLE** **Transparency and Evaluation**

The Committee submits to the Board of Directors, an annual Activity Report, where it describes its work and analyzes its activities.

The Audit and Procurement Committee, in the context of submitting the Annual Report to the Board of Directors, in accordance with



article 2 paragraph (I) hereof, annually evaluates its performance, the adequacy of its current Rules of Procedure, as well as the content of Regulation of Projects, Procurement and Services (KEPY) of HEDNO and submits to the Board of Directors proposals which aim at the improvement of the objects that fall within the field of its duties and responsibilities.

## **7 ARTICLE** **Jurisdiction**

In order to perform its duties, the Audit and Procurement Committee derives its relevant authority from the Law, the Company's Articles of Association, the decisions of the General Meeting and the Board of Directors, and acts on the basis and within the framework of the provisions of this Rules of Procedure.

In addition, the Audit and Procurement Committee may request access to all data and information, which are necessary for the fulfillment of its mission.

The Committee invites, whenever it deems appropriate, executives who exercise the duties of representation and management of the Company or are accountable directly to the Board of Directors or the Chief Executive Officer, including the Chief Executive Officer, General Managers, General Manager of Finance, Director of the Legal Department or their Deputies or their representatives to attend specific meetings or specific items on the agenda or to present their views on them.

The Board of Directors may, in its sole discretion and within the framework of its relevant decisive competence, secure the assistance of an external consultant to the Committee, if the Committee so requests. The final decision, as well as the approval of the relevant funds, remains at the absolute discretion of the Company Board of Directors. The final decision to receive assistance from an external

consultant, as well as the approval of the relevant funds required for the receipt of such assistance belongs to the absolute discretion and the exclusive decisive competence of the Company Board of Directors.

The Committee operates in accordance with the Rules of Procedure that it prepares and which is posted on the Company's website. The Committee examines any issue that is referred to it by the Chairman of the Board or the Board and then the Chairman of the Committee informs the Board after a relevant meeting of the Audit and Procurement Committee.

This rules of procedure enters into force immediately after its approval by the Board of Directors of the Company and may be amended at any time by decision of the Board of Directors.