



ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

**REGULATION OF OPERATION
OF THE
AUDIT COMMITTEE**

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The Regulation of Operation of the Audit Committee was approved by the Company BoD at its meeting on 23.12.2019 (4th issue).

Then, upon recommendation by the Audit Committee made at its meeting on 02.04.2021 (1st issue), the Regulation of Operation of the Audit Committee was revised by the Company’s Board of Directors and, at its meeting on 02.04.2021 (1st issue), when its amendments also came into force.

1. Object of the Regulation

- 1.1. This Regulation specifies the principles, the authorities, the composition and the issues concerning the operation of the Audit Committee of the Societe Anonyme named "ELVALHALCOR COPPER AND ALUMINIUM INDUSTRY SOCIETE ANONYME". The Audit Committee operates as independent and objective body responsible to review and assess the auditing practices and the performance of internal and external auditors.
- 1.2. After the implementation of the I. 4706/2020 (Gov.Gaz. A' 136 / 17.07.2020) and specifically, the provisions of the article 74 par.4 of same law which replaced the par.1 of art. 44 of L. 4449/2017 (Gov. Gaz. A' 7/24.01.2017), the adaptation of this Regulation became requisite.

2. Composition of the Audit committee

- 2.1. The Audit Committee which consists of three (3) members at least, may be :
- a) a committee of the Company's Board of Directors which consists of its non-executive members, or
 - b) an independent committee which consists of non-executive members of the Board of Directors and third parties, or
 - c) an independent committee which consist of third parties only.

As third party is considered any person who is not a member of the Board of Directors.

- 2.2. The kind of the Audit Committee, the tenure, the number and the capacities of its members are resolved by the general meeting of the Company's partners or other equivalent body. The tenure of the Audit committee members is equal to the tenure of the members of the Company's Board of Directors. The re-election of the Audit Committee members is possible.
- 2.3. The members of the Audit Committee are nominated by the Board of Directors, when this is its own committee or by the general meeting of the Company's shareholders when this is an independent committee.
- 2.4. The members of the Audit Committee are, in their majority, independent from the Company, according to the occasionally applicable provisions on independence [article 4 of L. 3016/2002 (Gov.Gaz. A' 110/17-5-2002), article 9 of L. 4706/2020 (Gov.Gaz. A' 136/17-07-2020)], a fact that is registered, adequately reasoned, at the time of their nomination/election. No persons conducting transactions incompatible with the object of the Audit Committee are allowed to participate in the Committee.

- 2.5. The Chairman of the Audit Committee is nominated by its members at the time of its meeting for constitution to body and he/she is independent from the Company.
- 2.6. The members of the Audit Committee dispose adequate knowledge in the sector where the Company is activated in. At least one (1) member of the Audit Committee who is independent from the Company, with adequate knowledge and experience in auditing or accounting, is imperatively present at the meetings of the Audit Committee concerning the approval of financial statements.
- 2.7. In the act of nomination/election of the Audit Committee, the qualifications of the proposed members are adequately reasoned as well as the fact of independence of the independent members following reasoned recommendation/assessment by the competent bodies of the Company (Remuneration and Nomination Committee – Board of Directors).
- 2.8. In case of resignation, death or loss of membership, the Board of Directors nominates from among its existing members, a new member in replacement of the missing one, for the term remaining until expiry of his tenure, the par.1 and 2 of article 82 of L. 4548/2018 (A'104) that applies *mutatis mutandis*, being observed, where appropriate. When the member as per previous section is a third party, non-member of BoD, the board of directors nominates a third person, non-member of BoD, as provisional replacement and the next general meeting proceeds to either the nomination of the same member or the election of another, for the term remaining until expiry of his tenure at the Audit Committee.
- 2.9. The participation of some person to the Audit Committee does not exclude his participation in another Committee of the Board of Directors, as long as this does not affect the proper execution of such person's duties as member of the Audit Committee.

3. Authorities of the Audit Committee

- 3.1. The basic task of the Audit Committee is to support the Board of Directors in executing its duties, supervising the procedures of financial information, the fullness and correctness of the financial statements, the policies and the internal control system of the Company and assessing the efficacy and performance of the internal control systems, the audit function of the work of the internal audit and the external auditors, to the effect of securing independence, quality, typical qualifications and performance of auditors. The Audit Committee among others :
 - 3.1.1. monitors the procedure of financial information and files recommendations or proposals for ensuring its integrity,

3.1.2. informs the Board of Directors of the Company about the results of the obligatory audit and explains how the obligatory audit contributes to the integrity of financial information and which was the role of the Audit Committee in such procedure,

3.1.3. monitors the effectiveness of the internal audit systems for ensuring quality and risk management of the enterprise and, per case, the sector of its internal audit, in terms of financial information of the Company without violating its independence,

3.1.4. monitors the obligatory audit of the annual corporate and integrated financial statements and especially, the extent of its performance, considering any findings and conclusions by the Hellenic Accounting and Auditing Standards Oversight Board, pursuant to the par.6 of article 26 of the Regulation (EU) no. 537/2014 and par.5, art. 44, L. 4449/2017, as modified by par.7, art. 74, L. 4706/2020.

3.1.5. supervises and monitors the independence of chartered accountants or auditing companies according to the articles 21, 22, 23, 26 and 27 as well as the article 6 of the Regulation (EU) no. 537.2014 and especially the appropriacy of rendering non-auding services to the entity under audit, according to the article 5 of the Regulation (EU) no. 537/2014.

3.1.6. is responsible to organize the procedure for the selection of chartered accountants or auditing companies and recommends such auditors or companies to be nominated according to the article 16 of the Regulation (EU) no. 537/2014, unless par.8, art. 16 of the Regulation (EU) no. 537/2014 is applicable.

3.1.7. gives its opinion on the approval and revision of the Company's Regulation of Operation, the Company Governance Code, and files proposal for the revision of this Regulation, at its discretion.

3.2. For the correct implementation of the foregoing authorizations, the Audit Committee has the following specific duties and powers :

3.2.1. To submit report on the issues raised from the performance of the obligatory audit, analytically explaining:

i) the contribution of the obligatory audit to the accuracy, quality and integrity of the financial information approved by the Board of Directors and communicated, including relevant notifications.

ii) the actions of the Audit Committee in the context of the aforementioned (i) procedure.

iii) in the context of the aforementioned information of the Board of Directors, the Audit Committee considers the content of the supplementary report which its chartered accountant files and which contains the results of the obligatory audit held and fulfills at least the specific requirements

according to the article 11 of the Regulation (EU) no. 537/2014 of the European Parliament and the Council of 16th April 2014.

- 3.2.2. The Audit Committee monitors, examines and assesses the procedure for the preparation of the financial information, including the other information communicated in any manner (i.e. stock market announcements, press releases) compared to the financial information. In this context, the Audit Committee informs the Board of Directors about its findings and submits proposals for the improvement of the procedure, if advisable.
- 3.2.3. The Audit Committee monitors, examines and assesses the adequacy and efficacy of the overall policies, procedures and safeguards of the Company, related to the internal audit systems as well as the risk assessment and management, compared to the financial information. In terms of the internal audit function, the Audit Committee monitors and inspects the proper function of the Internal Audit Unit pursuant to the professional standards and the applicable legal and regulative framework and it assesses the work, the adequacy and the efficacy of the Unit without however affecting its independence. The Audit Committee reviews the communicated information related to the internal audit and the main risks and uncertainties of the Company, compared to the financial information. In such context, the Audit Committee informs the Board of Directors about its findings and submits proposals for improvement, if advisable.
- 3.2.4. Specifically, as to external audit and the procedure of financial information, the Audit Committee :
 - i) recommends to the Board of Directors the nomination, re-nomination and revocation of the chartered accountant as well as the approval of the remuneration and the employment terms of the chartered accountant and the objectivity and the efficacy of the auditing procedure, according to the Greek and international regulative and accounting standards, and also examines the provision of additional services to the Company by the auditing company where the chartered accountant belongs to.
 - ii) is informed about the procedure and the time schedule for the preparation of the financial information by the management.
 - iii) is informed by the chartered accountants on the annual schedule of obligatory audit of the financial statements of the Company for each fiscal period before its application, proceeds to assessment thereof and ensures that such audit program shall cover the most significant audit sectors, considering the main sectors of business and financial risks of the Company. The Audit Committee files recommendations on other significant issues too, when it finds this advisable.

- iv) Thoroughly examines and analyzes the most significant issues and the risks that may affect the financial statements of the Company as well as the significant judgments and assessments of the management at the preparation thereof, such as : Assessment of the application of the going concern assumption - significant judgments, assumptions and assessment at the preparation of the financial statements – evaluation of assets in reasonable value - assessment of assets retainability – acquisitions’ accounting treatment – adequacy of notifications of significant risks encountered by the Company – significant transactions with connected parties – significant unusual transactions.
- v) secures its timely and substantive communication with the chartered accountant in view of the preparation of the audit report and the and the supplementary report by the latter to the Audit Committee and solves any disputes between the management and the chartered accountant.
- vi) reviews the financial reports before their approval by the Board of Directors in order to assess the fullness and the consistency thereof compared to the information placed to its attention as well as the accounting standards applied by the Company and it informs the Board of Directors accordingly.

3.2.5. Especially, with regard to the procedures of internal audit and risk management systems and the Internal Audit Unit, the Audit Committee :

- i) Assesses the staffing and the organizational structure of the Internal Audit Unit and detects any possible defects. If advisable, the Audit Committee submits proposals to the Board of Directors so as the Internal Audit Unit to dispose the required means, to be adequately staffed with well-qualified, experienced and educated staff and its work to be unrestricted and independent, as provided.
- ii) Is informed on the annual audit schedule of the Internal Audit Unit before it takes effect and makes assessment thereof considering the main sectors of business and financial risk and the results of the previous audits. In the context of the mentioned information, the Audit Committee examines whether the audit schedule (combined with any mid-term respective schedules) covers the most important audit fields and systems pertaining to the financial information.
- iii) Takes cognizance of the work of the Internal Audit Unit and its reports (regular and extraordinary ones) and follows the information of the Board of Directors with their contents in terms of financial information of the Company.
- iv) Monitors the efficacy of the internal audit systems mainly through the internal audit unit and the work of the chartered accountant. It requires

an annual activity plan from the Internal Audit Unit. It sees to the timely notification and discussion of the issues detected by the Internal Audit Unit with the management and introduces necessary corrective measures to the management.

- v) Reviews the management of the most important risks and uncertainties of the Company and their periodical revision. In this context, it assesses the methods applied by the Company to detect and monitor the risks, to confront the main ones via the internal audit system and the internal audit unit as well as to correctly share such risks in the financial information communicated.

3.3. For the results of all foregoing actions, the Audit Committee informs the Board of Directors by filing three-month interim reports with its findings and the proposals for the implementation of corrective actions, if advisable.

4. Relation with other persons / bodies of the Company

4.1. The Audit Committee is independent body, its decisions are made independently of the decisions of other bodies of the Company and its members act and decide on their own conscience only.

4.2. The Audit Committee calls, at its discretion and when advisable, key executives involved in the governance of the Company, including especially the general Director, the Internal Auditor, executives of the Company, to attend specific meetings or specific issues of the agenda.

4.3 The Audit Committee meets with the management/competent top executives during the preparation of the financial reports as well as the chartered accountant at the audit scheduling stage, during execution and during preparation of the audit reports.

4.4. The Audit Committee regularly meets with the head of the internal audit unit and anyway, in the end of each audit module to discuss issues of his authority and problems which might arise from internal audits.

4.5. The Committee may meet at any time this is advisable with the external auditors.

4.6. The Audit Committee has full access to all documents of the Company required in order to perform its duties and the Company disposes to the Audit Committee all persons the Committee finds requisite.

4.7. The Board of Directors ensures the assistance by external consultant for the Audit Committee, if the latter applies for it in a justified mode, and places to its disposal all necessary funds to this effect.

4.8. The Board of Directors ensures appropriate briefing and training to all members of the Audit Committee so as to enable him/her to effectively exercise his/her duties.

5. Meetings and Decision Making

- 5.1. The Audit Committee meets at the registered office of the Company or elsewhere as per its Articles of Association, according to the article 90, L. 4548/2018, as applicable. The Audit Committee is regularly convened and imperatively, at least 4 times per year. It comes to extraordinary session, when necessary. The Audit Committee may also meet with the Company's' chartered accountant, without the presence of the management.
- 5.2. The Audit Committee is convened via notice communicated at least two (2) business days before the meeting. The notice refers the issues of the agenda, the date, the time and the place of the meeting of the Audit Committee. No notice is required if all members are present on the date of meeting and none raises any objection.
- 5.3. At the meetings of the Audit Committee, the participation of all its members should be pursued. Nevertheless, in any case, the Committee is found at quorum when at least two (2) members are present. The Committee may meet also via teleconference or via telephone communication between some or all its members. In proportion to the article 94 par.1, L. 4548/2018, as applicable, the preparation and execution of minutes by all members of the Audit Committee equals to its decision, even if no meeting has preceded.

Unless the meeting is attended by at least two (2) members, the meeting is adjourned and repeated without new notice being required, the latest within seven (7) days as of adjournment (when required quorum shall still be required).

Decisions are made by majority of its members and in case of equal number of votes, the Chairman shall have a casting vote.

The Audit Committee nominates its secretary to keep minutes of its meetings and the overall support of its work. The discussions and decisions of the Audit Committee are recorded in minutes which are signed by the attending members, according to the article 93, L. 4548/2018, as applicable.

6. Transparency

- 6.1. The Audit Committee analytically keeps all required information, including the minutes of its meetings, which reflect its actions and there results therefrom concerning the implementation of its work. To this effect, the Audit Committee may integrate in the minutes, any reports, presentations and any other materials which was placed to its attention and has been the object of discussion between its members.
- 6.2. By liability of the Chairman, the Audit Committee informs the shareholders at the Ordinary General Meeting by submitting an annual report on its proceedings

based on its prescribed authorizations. In particular, the mentioned report analytically refers the actions of the Audit Committee and the issues resolved during the current fiscal period. Such report also includes the description of the sustainable development policy followed by the Company. This is also posted on the Company's website.

- 6.3. The members of the Audit Committee fully abide by the provisions of the Internal Regulation of Operation and the Corporate Governance Code of the Company.

7. Remuneration of Members

The remuneration of the Audit Committee is set by decision of the Board of Directors and is approved by decision of the Ordinary General Meeting of the Company. The remuneration must be respective to the scope of their duties, considering among others, the multiplexity – width of their tasks, the time of occupation required, the extent of responsibility and the remuneration level of the other members of the Board of Directors.

8. Validity – Revision Procedure – Publicity

- 8.1. The Regulation of Operation is drafted by the Audit Committee and is valid as from the date of its approval by the Company's Board of Directors.
- 8.2. The Regulation of Operation is revised at any time, following introduction by the Audit Committee and approval by the Company's Board of Directors. The Audit Committee may adopt and implement immediately, even before the modification of this Regulation, any provisions of new legislation that regulate issues regulated by this Regulation in different way.
- 8.3. The Audit Committee regularly assesses the appropriacy and efficacy of the Regulation of Operation and recommends the necessary amendments to the Company's Board of Directors.
- 8.4. The Regulation of Operation of the Audit Committee is posted on the Company's website, according to par.1(h), article 44, L. 4449/2017, as replaced by par.4, article 74, L. 4706/2020.