

Internal Audit Charter

FOURLIS HOLDINGS S.A.

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I. Introduction

The Internal Audit Department is an independent organizational unit within the company FOURLIS HOLDINGS SA (hereinafter the Company) in order to monitor and improve its functions and policies regarding the Internal Audit System.

Internal Audit System is the set of internal control mechanisms (safeguards) and procedures, including risk management, Internal control and regulatory compliance, which continuously covers every activity of the Company and contributes to its safe and effective operation.

The Internal Audit Department adopts the following definition from the International Institute of Internal Auditors and is universally accepted:

«Internal auditing is an independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes».

II. Purpose of Internal Audit Charter

This Internal Audit Charter (hereinafter the Charter) operates in addition to the legislation and regulates the relations of the Audit Department with all interested parties (Board of Directors, Audit Committee, Chief Executive Officer, Management, external auditors).

The Internal Audit Department operates according to articles 15 and 16 of law 4706/2020, the Hellenic Corporate Governance Code that the Company has voluntarily adopted (<https://www.esed.org.gr/>) and provisions of the Internal Regulation Charter. This Regulation

describes the responsibilities, duties and obligations of the Internal Audit Department in relation to the above framework.

The respective members of the Internal Audit Department are obliged to comply with the Regulation and all those involved (members of the Board of Directors, Audit Committee, Chief Executive Officer, Management, Corporate Secretary, Financial Management, external auditor, subsidiaries' internal auditors, etc.) have to comply with the provisions of the Regulation to the

extent that they are concerned and to the extent that they are involved in the work of the Internal Audit Department.

The Internal Audit Charter is approved by the Board of Directors following Audit Committee's proposal and is entered into force after its approval. The revision of the Internal Audit Charter is carried out on an ad hoc basis whenever required.

III. Internal Audit Mandate

The BoD of FOURLIS HOLDINGS S.A. assigns to the Internal Audit Department the mandate to provide the BoD and senior management with objective assurance, advice, insight, and foresight. The Internal Audit Department carries out this mandate through its direct reporting relationship to the BoD and is allowed unlimited access to it. The BoD authorizes the Internal Audit Department to:

- Have free and unrestricted access to all activities across the organization, to records, files, and all physical property and personnel related to the execution of Internal Audit responsibilities. Internal Auditors are responsible for the confidentiality and safeguarding of records and information.
- Allocate resources, define the frequency, purpose and scope of work, apply techniques and proceed with communications to achieve the objectives of the Internal Audit Department.
- To receive assistance from the necessary personnel of FOURLIS HOLDINGS S.A. and the other audited companies of the Group and other specialized services within or outside the Fourlis Group for the completion of the work of the Internal Audit Department.

IV. Organization and Staffing of Internal Audit Department

The Head of the Internal Audit Department is appointed by Company's Board of Directors following Audit Committee's proposal, is a full-time employee, personally and functionally independent and objective in the performance of his duties and has the appropriate

knowledge and relevant professional experience. He reports administratively to the Chief Executive Officer and operationally to the Audit Committee. As the Head of the Internal Audit Department, he cannot be a member of the Board of Directors or a member with the right to vote in Company's standing committees and to have close ties with anyone who holds one of the above positions in the Company or in a Group's company.

The Company informs the Hellenic Capital Market Commission of any change of the Head of the Internal Audit Department, submitting the minutes of the relevant meeting of the Board of Directors, within twenty (20) days from this change.

The number of internal auditors of the Internal Audit Department is proportional to the size of the Company, the number of its employees, the geographical areas where it operates, the number of operating and executive units and the audited entities in general.

V. Independence and objectivity of Internal Audit Department

The internal auditors perform their duties in accordance with the Company's Code of Ethics and apply the principles of independence, objectivity and confidentiality.

The Internal Auditors of FOURLIS HOLDINGS S.A. comply with the mandatory elements of the Internal Auditors' International Professional Practices Framework (IPPF) of the International Institute of Internal Auditors, which are the Global Internal Audit Standards (GIAS) and the Topical Requirements, the applicable legislation as well as the Company's policies and procedures. The Head of the Internal Audit Department periodically reports to the BoD and the Company's Senior Management regarding the compliance of the internal audit function with the GIAS.

The Internal Audit Department is distinctly the 3rd line of defense of the Company and is independent of the other organizational units of the Company (IIA - The Three Lines Model).

The Head of Internal Audit functionally reporting to the Audit Committee and administratively to the CEO of the Group and this:

- enables the internal audit function to perform internal audit services and communicate engagement results without interference or undue limitations and
- support the ability of Internal Auditors to maintain objectivity.

The Internal Audit Department, in order to maintain its independence and objectivity does not accept any intervention from the Company, in matters such as the subject and scope of internal audits, procedures, frequency and schedule of audits or the content of audit reports. The Head of Internal Audit, at least annually, confirms to the BoD the organizational independence of the Internal Audit Department.

Internal auditors do not have any direct responsibility or authority in the areas subject to audit. Therefore, in areas under control, internal auditors may not apply safeguards, draft or review procedures, install systems, prepare files, or engage in any activity that may affect the crisis, independence, and their objectivity.

The Head of the Internal Audit Department has full access to any organizational unit of the Company and is aware of any information required for the performance of his duties, in order for the Internal Audit Department to perform its work. In the specific case of the Group that consolidates financial statements, parent company's Board of Directors is responsible for the consolidated financial statements and therefore for the proper operation of the Internal Audit Systems of the subsidiaries. For this reason, parent company's Internal Audit Department has access to the Group's subsidiaries in order to carry out audits.

Internal auditors have the highest level of professional objectivity in collecting, evaluating and communicating information about the process or activity being audited. Internal auditors carry out an objective and impartial assessment of the circumstances and are not influenced in shaping judgments and decisions.

VI. Responsibilities of Internal Audit Department

Responsibilities of Internal Audit Department include monitoring, control and evaluation of the following:

- application of the Company's Internal Regulation Charter, especially for the adequacy and accuracy of the financial and non-financial information provided, risk management, regulatory compliance and the corporate governance code adopted by the Company,
- quality assurance mechanisms,
- corporate governance mechanisms,
- compliance with the commitments contained in newsletters and the Company's business plans regarding the use of funds raised from the regulated market.

Moreover, Internal Audit Department is also responsible for the following:

- providing assurance that the risk recognition and management procedures applied by Management are adequate,
- providing assurance on the effectiveness of the internal control system,
- providing assurance on the quality and reliability of the information provided by the Management to the Board of Directors, regarding the internal control system.

VII. Functioning of Internal Audit Department

The Head of the Internal Audit Department submits to the Audit Committee

- the annual audit program,
- the annual budget,
- the annual training plan of internal audit staff and
- the requirements of the necessary resources, as well as the consequences of limiting
- the resources or the audit work of the Internal Audit Department in general.

The annual audit program is prepared based on the assessment of the Company's risks after considering the opinion of the Audit Committee.

The Head of the Internal Audit Department attends the general meetings of the shareholders.

For its areas of responsibility, the Internal Audit Department prepares reports to the audited units with any findings, the risks arising from them and suggestions for improvement if any.

These reports, after the integration of the relevant views by the audited units, the agreed actions if any or the acceptance of the risk of non-action by them, the limitations on the scope of its control if any, the final internal audit proposals and response results of Company's audited units to its proposals that are submitted quarterly to the Audit Committee. Also, the Internal Audit Department applies periodic confirmation (follow-up) of the degree of implementation of the agreed actions and informs the Audit Committee.

Additionally, the Internal Audit Department submits reports to the Audit Committee every three (3) months at least, including the most important issues and its proposals regarding the above tasks, which the Audit Committee presents and submits with its comments to the Board of Directors.

The Internal Audit Department is responsible for the absolute protection of the confidentiality of the data and the general confidentiality.

The Internal Audit Department cooperates and coordinates its work with other organizational units of the Company that constitute the first and second line of defense and have similar assurance purposes (eg. Regulatory Compliance Unit, Financial Planning and Controlling Department) for efficient and effective coverage of all areas of control interest (operational, financial, compliance), without overlapping with each other.

The Internal Audit Department, at the request of the Management, may provide consulting services on issues such as: evaluation of procedures, information systems so that they are in accordance with the Internal Audit systems. The undertaking of consulting projects is approved by the Audit Committee and their type and duration should not interfere with the objectivity and independence of the Internal Auditors.

In case the subsidiaries have separate Internal Audit Departments, the Internal Audit Department of the parent company takes care of the similar development and

implementation of the internal audit in the companies of the Group.

The Head of the Internal Audit Department provides in writing any information requested by the Hellenic Capital Market Commission, cooperates with it and facilitates in every possible way the task of monitoring, controlling and supervising by it.

VIII. Evaluation of Internal Audit Department

Annually, the annual report of the work of the Management is submitted to the Audit Committee by the Head of the Internal Audit Department, based on the "Quality Assurance and Improvement Program" that has been adopted. Also, the program stipulates that the Internal Audit Department will be subject to independent evaluation every 5 years, based on what is provided in the International Standards.