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FOURNALIS HOLDINGS SA


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1. Basic Principles of the Charter of Operations

1.1 Object of the Charter of Operations

The Charter of Operations has been conducted in accordance with the requirements of article 14 of L.4706/2020. Upon its preparation and drafting, the provisions of the EU Regulation 596/2014 and of L.4443/2016 on insider dealing and market manipulation, of L. 3556/2007 on disclosure requirements for significant holdings, of L. 3693/2008 on the Audit Committee and on statutory auditors, of L. 3873/2010 on Corporate Governance Statement, of L. 3884/2010 on the exercise of rights by minority shareholders of listed companies, of L.4449/2017 (Regulation 537/2014 EC) on the mandatory audit of financial statements, on public supervision of the auditing works and on the provisions for the Audit Committee, and of L.4548/2018 on the reform of the Law on Societes Anonymes with the incorporation of provisions on corporate governance, of the Directives 2007/36/EC, 2017/828/EC, 1A/890/2020 EC, 1B/890/2020 EC, 891/2020 EC, 2/905/2021 EC, of the EU Regulation 679/2016 on personal data protection (GDPR), of the EU Directive 1937/2019 on the protection of persons reporting violation of the EU law, of the International Accounting Standard 24, have also been taken into account. Upon its preparation and drafting, the provisions of the Greek laws, EU regulations, EU directives and decisions of the Hellenic Capital Market Commission, displayed in the Chapter 9 "Procedure for the Legislative and Regulatory Compliance" of this Charter of Operations, have also been taken into account.

The Charter of Operations applies to FOURLIS HOLDINGS SA, a company listed in the Athens Stock Exchange (hereinafter referred to as the "Company"), and includes:

- the organisational structure, the objects/scope of the units, the committees of the Board of Directors or other permanent committees, as well as the duties of their Heads and their guidelines;
- the reference to the principal characteristics of the Internal Control System (ICS), including the internal control unit, the risk management and the regulatory compliance;
- the procedure of hiring of the senior executive directors and the assessment of their performance;
- the compliance procedure for persons exercising managerial duties and persons having close relations to them, with the obligations of article 19 of the EU Regulation 596/2014;
- the notification procedure of any dependency of the independent non-executive members of the Board of Directors and of the individuals, having close relations to these persons;
- the compliance procedure with the obligations arising from the law on transactions with related parties;
- the policies and procedures for prevention and fighting of conflicts of interests;
- the policies and compliance procedures of the Company with legislative and regulatory provisions regulating its organisation and operation, as well as its business activities;
- the procedure of the Company for the handling of inside information and data, and the correct

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information of the public, in accordance with the provisions of the EU Regulation 596/2014;

- the policy and the procedure for the execution of a periodic evaluation of the Internal Control System (ICS), by individuals with relevant professional experience and no-dependency relations;
- the training policy of the members of the Board of Directors, the executive officers, as well as the other officers of the Company, in particular of those involved in the internal audit, the risk management, the regulatory compliance and the information technology systems;
- the sustainable development policy followed by the Company;
- the European Regulation on Sustainable Development Reporting (CSRD);
- the Policy and the Procedure for monitoring and assessment of the Corporate Governance System (CGS).

1.2 Validity, amendment and monitoring of enforcement of the Charter of Operations

As effective date of this Charter of Operations is defined the date of its approval by the Board of Directors of the Company. The monitoring of application and enforcement of the Charter of Operations is executed by the Head of Regulatory Compliance, in accordance with the annual action plan so that its harmonisation with the applicable Company's policies and with the provisions of the relevant national legislation or/and the EU legislation, as well as with the decisions of the Hellenic Capital Market Commission and other supervisory authorities is ascertained. Further, in the annual internal audit plan a completeness and enforcement check of the Charter of Operations is included, whereas the external auditor in his/her Audit Report confirms that the Company has an updated Charter of Operations with a prescribed content, pursuant to article 14 of L.4706/2020.


All amendments of the Charter of Operations are effective after a relevant decision of the Board of Directors, which is responsible for their approval.

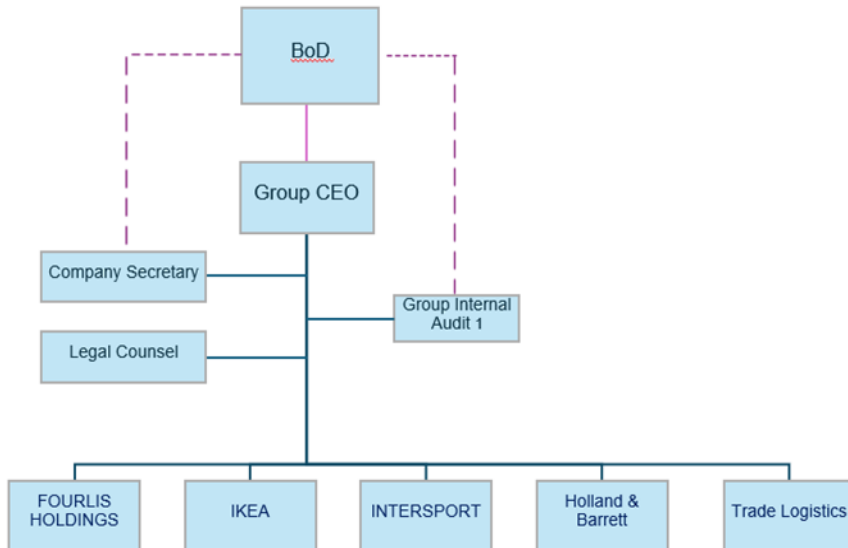
1.3 Annexes and relevant references for the Charter of Operations

All Regulations, Policies, Procedures, Directions, Manuals, and Methodologies referred to in the specific Charter of Operations, are included in the OPIS system of the Company and access to them is controlled.

2. Organisational Structure of FOURLIS HOLDINGS SA

2.1 Organisation Chart of FOURLIS HOLDINGS SA

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BoD	
V. Fournalis	Executive Chairman
D. Fournalis	Executive Vice Chairman
D. Valachis	CEO, Executive member
L. Fournalis	Executive member
S. Stefanou	Non Executive Vice Chairman
C. Paikos	Non Executive member
N. Lavidas	Non Executive member
M. Georgalou	Non Executive member
S. Kambouridou	Non Executive member


Audit Committee	
S. Stefanou	Chairman
M. Georgalou	Member
S. Kambouridou	Member

Nomination & Remuneration Committee	
N. Lavidas	Chairman
S. Stefanou	Member
C. Paikos	Member

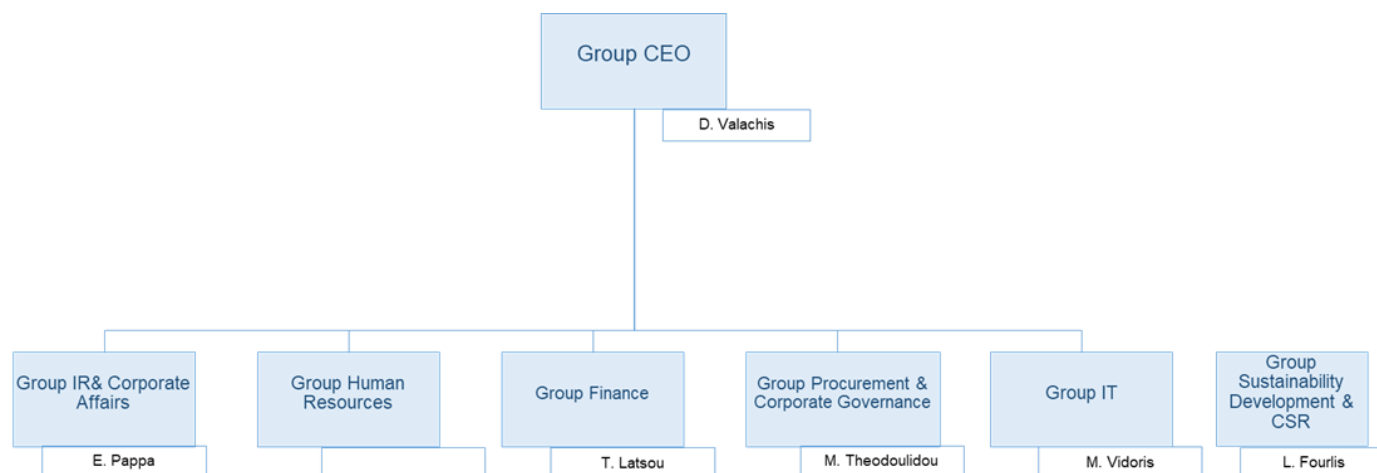
Group Compliance, Risk & Information Security Officer	
Maria Theodoulidou	

1: Ο επικεφαλής της Διεύθυνσης Εσωτερικού Ελέγχου υπάγεται διοικητικά στον Διευθύνοντα Σύμβουλο και λειτουργικά στην Επιτροπή Ελέγχου

1: The Head of the Internal Audit Division is administratively subordinate to the Chief Executive Officer and reports his/her operations to the Audit Committee.

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2.2 Management Officers



2.2.1. Board of Directors


The members of the Board of Directors of the Company, their titles and their CVs, are uploaded in the Company's website <http://www.fournalis.gr>.

The Company is managed by a Board of Directors (BoD) consisting of nine (9) members, so that the diversity of gender, age, knowledge, qualifications, and experience is ensured, which serve the goals of the Company, as well as the balance between executive and non-executive members. The members of the Board of Directors are elected by the General Assembly of shareholders of the Company for a five (5)-year term, which is extended until the first ordinary General Assembly after the expiry of the BoD's term, which cannot exceed the six (6) years. The General Assembly shall directly elect the independent members of the Board of Directors as well. The General Assembly shall define the type of the Audit Committee, the term, the number and the capacities of its members. The General Assembly held on 17/6/2022 has decided that the Audit Committee shall consist of 3 members, consisting exclusively of non-executive members of the BoD, independent in their majority, with a term equal to the term of the members of the BoD and the Chairman of the Committee shall be an independent non-executive member.

The Board of Directors, at its constitutive meeting, shall specify the responsibilities of the executive and non-executive members of the Board of Directors and the general representation of the Company.

The Board of Directors is responsible for the administration, management and representation of the Company and the management of its property and assets. It shall decide on all issues in general relating to the Company, within the context of the corporate purpose with the exception of those issues, which, pursuant to the Law and the Articles of Association belong to the sole and exclusive responsibility of the General Assembly. All responsibilities of the Board of Directors shall be subject to the application of the articles on the prohibition of competition and of the execution of contracts between the company and the members of its Board of Directors, to L.4548/2018 and to L.4706/2020, as currently in force.

The Board of Directors may, only and exclusively in writing, assign the exercise of all its powers and

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responsibilities, except for those requiring a collective act, as well as the representation of the Company, to one or more individuals, members of the Board of Directors, managers and employees of the Company or third parties, specifying at the same time the extent of this assignment as well.

The Board of Directors, immediately after its election, shall meet at a constitutive meeting, electing the chairman and one or more vice chairmans. The Board of Directors may elect one or more directors or authorised advisors out of its members and only, determining also at the same time their responsibilities.

Remuneration or compensation may be granted to the members of the Board of Directors, the amount of which shall be approved by the ordinary General Assembly by a special decision.

The Board of Directors, according to the Company's Articles of Association, is responsible for the administration, management and representation of the Company, for the management of its property and assets, and for the pursuit of its purpose, in general. It shall decide on all issues in general relating to the Company, within the context of the Company's purpose, with the exception of these issues, which, in accordance with the Law and the Articles of Association, belong to the sole and exclusive responsibility of the General Assembly.

The functions, responsibilities and liabilities of the Board of Directors, are described in detail in the Charter of Operations of the Board of Directors of the Company.

2.2.2. Representation of the Company

Under the minutes of the meeting of the BoD dated 20-05-2024, and after a relevant proposal of the President, Mr. Vassilios Styl. Fourlis, the Board of Directors has specified the responsibilities and the representation of the company by certain members of the BoD and senior executive directors, whose acts are explicitly recognised as valid, effective and binding by the Company.


2.2.3. Audit Committee

The Audit Committee is organised and operates in accordance with article 44 of L.4449/2017 as amended by article 74 of L.4706/2020, the articles 10, 15 and 16 of L.4706/2020 and the EU Regulation no. 537/2014, the Greek Corporate Governance Code, voluntarily adopted by the Company (<http://www.helex.gr/el/esed>) and the provisions of the Charter of Operations of the Company.

2.2.4. Internal Audit Division

The Company has an Internal Audit Division, which constitutes an independent organisational unit within the Company, aiming at monitoring and development of the operations and policies of the Company in relation to its Internal Control System.

The Internal Audit Division operates in accordance with articles 15 and 16 of L.4706/2020, the Greek Corporate Governance Code, voluntarily adopted by the Company (<http://www.helex.gr/el/esed>), and the provisions of the Charter of Operations of the Company. The internal auditors execute their duties according

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to the Company's Code of Ethics, and apply the principles of independence, objectivity and confidentiality. The internal auditors shall comply with the Professional Practice Framework of the Internal Audit (International Professional Practices Framework), and with the International Standards for the Professional Practice of the Internal Audit (IIA Standards) as well as with the Code of Ethics (IIA Code of Ethics), the governing laws and the policies and procedures of the Company.

The Head of the Internal Audit Division is appointed by the Board of Directors of the Company, after a proposal of the Audit Committee, is a full-time and exclusive employee of the Company, personally and operationally independent and objective upon exercise of his/her duties and has the appropriate knowledge and relevant professional experience. He /she is administratively reporting to the Chief Executive Officer and operationally reporting to the Audit Committee. As Head of the Internal Audit Division, he/she cannot be a member of the Board of Directors, or a member with a voting right in the Company's permanent committees, and cannot have close relations to anyone, who is holding one of the aforementioned titles in the Company or in a company of the Group.

The Company shall inform the Hellenic Capital Markets Commission about any change of the head of the Internal Audit Division, submitting the minutes of the relevant meeting of the Board of Directors within twenty (20) days as of this change.


The operation, organisation and responsibilities of the Internal Audit Division are described in detail in its Internal Audit Charter, which is approved by the Board of Directors of the Company after a proposal of the Audit Committee.

2.2.5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is established aiming at providing support to the Company's Board of Directors, at fulfilling the obligations of the BoD to the shareholders, in respect of ensuring that the election of the nominated candidates who have applied for the position of the member of the BoD, follows merit-based and objective criteria, so that the smooth succession of the members of the BoD as well as of the senior executive directors of the Company for the purpose of the Company's successful progress in the long term is guaranteed. Within the limits of its role, the Nomination and Remuneration Committee, shall find and shall propose to the BoD individuals, who shall be fit and proper for becoming members of the BoD, on the basis of the procedure provided in the Committee's Rules of Operation. For the purpose of selection of the candidates, the Committee shall take into account the factors and the criteria specified by the Company, in accordance with the Fit and Proper Policy adopted by the Company. The Company has a single Nomination and Remuneration Committee, however, it may choose the establishment of separate Committees.

The members of the Nomination and Remuneration Committee of the Company, their titles and their CVs are uploaded in the Company's website <http://www.fournalis.gr>.

Fit and Proper Policy of the Members of the Board of Directors

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The Company has adopted a Fit and Proper Policy for the members of the Board of Directors, which is approved by the BoD and is submitted for final approval to the General Assembly of the Shareholders of the Company.

The Fit and Proper Policy is uploaded in the Company's website.

The Nomination and Remuneration Committee forms proposals to the BoD in relation to the Remuneration Policy submitted for approval to the General Assembly (L.4548/2018, art.112), and the remunerations of persons falling under the scope of application of the Remuneration Policy and of the managerial officers of the Company, who are members of the Executive Committee and of the Head of the Internal Audit Unit, and reviews the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors prior to the submission of the report to the General Assembly. The remuneration policy and practices adopted by the Company are characterised by fairness and responsibility clearly linking the Company's performance to that of the individual.

Remuneration Policy under article 110 of L.4548/2018

1. How the Policy contributes to the business strategy, the long-term interests and the Company's sustainability.

The policy and the principles of the Company for the determination of the remunerations of the executive and non-executive members of the BoD as well as the calculation method of the remunerations, including the quantitative and qualitative criteria taken into account, are included in the Remuneration Policy. The Policy concerns the members of the Board of Directors of the Company.


The Remuneration Policy contributes to the business strategy and to the long-term interests and to the viability of the Company and provides detailed information about the contribution method. It specifies in detail both the existing rights of the members of the BoD and the Company's obligations towards them, and the terms based on which the remunerations shall be paid in the future. The policy is valid and effective for four (4) years, unless it is revised and/or modified earlier by decision of the General Assembly of Shareholders of the Company.

The Remuneration Policy shall be compliant with the applicable laws, the fair practices of corporate governance, the Greek Code for Corporate Governance, the Articles of Association and the Charter of Operations of the Company. The Policy shall acknowledge the existing rights and obligations of the members of the BoD and shall define the terms based on which the future remunerations may be paid to the existing or/and new members of the BoD during its period of validity.

The Rules of Operation of the Nomination and Remuneration Committee, the Fit and Proper Policy and the Remuneration Policy are published in the Company's website (<http://www.fourlis.gr>).

2.2.6. Chief Executive Officer

The Chief Executive Officer is responsible for guaranteeing the smooth and proper, lawful and effective operation of the Company, in accordance with the strategic goals, the business plans and the action plan, as specified in the decisions of the Board of Directors and the General Assembly as well as the legislative/regulatory framework. The Board of Directors shall participate and report to the Board of

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Directors of the Company and shall implement the strategic choices and the significant decisions of the Company.

2.2.7. Company's Secretary

The Board of Directors and its Committees are supported by a competent, qualified and experienced Company's Secretary. The role of the Company's Secretary is to provide practical support to the Chairman and the other members of the Board of Directors, collectively and individually, on the basis of the compliance of the Board of Directors according to the internal rules and the relevant laws and regulations.

2.2.8. Division of Investor Relations and Corporate Communication

The responsibilities of the Director of Investor Relations and Corporate Communication of the Company which also include the services provided to the companies of the Group, are summarised below:

- ✓ the management of the relationships with the existing Company's shareholders and the wider investment public.
- ✓ the attraction of new investors/ shareholders based on the Company's needs.
- ✓ the obligations of information/ notification of the investment public arising from the applicable stock market legislation and the relevant decisions of the Capital Market Commission.
- ✓ The organization and conduct of the required presentations (ordinary and extraordinary) for the Company's activities to existing shareholders as well as potential investors (private and institutional investors).
- ✓ The preparation and provision of information to the Company's Management regarding the Company's share composition.


The Shareholders' Service Unit constitutes part of the Investment Relations and Corporate Communication Department. Detailed Information follows:

Shareholders' Service Unit

The shareholders' service department has the responsibility of providing immediate and equal information to shareholders, as well as serving them regarding the exercise of their rights based on the applicable legislation and the Company's articles of association.

The shareholder's service unit cares for the immediate, correct and equal information of shareholders in relation to the following:

- a) Distribution of dividends and free shares, acts of issuing new shares with payment of cash, exchange of shares, time period for exercising the relevant preemptive rights or changes in the initial time limits (e.g. extension of the time for exercising the rights).

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The Shareholders' Service Unit, in collaboration with the Financial Division and the Legal Department, must monitor the timely and proper observance of the procedure for the distribution of the dividend approved by the General Assembly to the shareholders.

b) Providing information about the ordinary or extraordinary general assembly meetings and the decisions taken at them.

The Shareholders' Service Department, in collaboration with the Financial Division and the Legal Department, monitors the proper observance of the shareholders' invitation process for the convergence of the General Assembly, as this is defined in L.3556/2007.

The Shareholders' Service Unit is responsible for taking all the necessary actions for the gathering of participating shareholders in the General Assembly, in order to ensure the required percentage of votes for the convergence of the General Assembly, as well as the observance of the procedure for the deposit of shares by the shareholders for the purpose of their participation in the General Assembly.

After the meeting of the General Assembly, the Shareholders' Service Unit, in collaboration with the Corporate Announcements' Department and the Legal Department, is responsible for the observance of the process of publishing its decisions, as defined by law.

c) Acquisition of own shares and their disposal, or any cancellation thereof, as well as share distribution programs, or free distribution of shares to members of the board of directors and the Company's staff.

The Shareholders' Service Unit is responsible for complying with the process of informing shareholders in cases of acquisition of own shares, as defined by the currently applicable legislation.


The Shareholders' Service Unit has also the following responsibilities:

- Communication and exchange of data and information with the relevant central securities depositories and intermediaries in the context of identification of the shareholders pursuant to the formalities of the applicable laws;
- Communication with the shareholders;
- Provision of information to shareholders under the provisions of article 17 of L.3556/2007;
- Monitoring of the way of exercise of the shareholding right, particularly in relation to the participation percentages of the shareholders in the General Assemblies and of exercise of the right to vote.

The Shareholders' Service Unit is also responsible for keeping and updating the list of shareholders under the requirements of the applicable laws.

The Shareholders' Service Unit must be informed at regular intervals (on a weekly basis) by the Central Securities Depository regarding any changes in the Company's list of shareholders.

In cooperation with the Unit for Corporate Announcements, the composition of the Company's list of shareholders as well as the movements of people liable under the law should be monitored. In case a major change in the Company's capital structure is detected, the Company's Management should be directly informed.

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In the event that the change in the capital's composition concerns a concentration of shares above 10%, then the Unit for Corporate Announcements should be informed, so that this could in turn proceed to the necessary notifications under L.3556/2007 and the EU Regulation 596/2014.

The Unit for corporate announcements and investors relations also belongs to the Investment Relations and Corporate Communication Division.

In more detail:

Unit for Corporate Announcements & Investor Relations

The Company has a corporate announcements & investor relations unit, which is responsible for making the necessary announcements to inform the shareholders, or beneficiaries of other securities of the Company, regarding corporate events, in accordance with the provisions of article 17 of L. 3556/2007 and of L. 4548/2018. The unit for corporate announcements has the responsibility of the Company's compliance with the obligations provided in article 17 of the EU Regulation 596/2014.

2.2.9 Data Protection Officer (DPO)


The responsibilities of the Data Protection Officer (DPO) and the Director of Development of the Company, also including the services provided to the companies of the Group, cover all the obligations of the Company as these arise from the national and European laws on personal data protection (GDPR).

2.2.10 Regulatory Compliance Officer

The Regulatory Compliance Unit of the Company operates according to L.4706/2020 providing related services to the significant subsidiaries of the FOURLIS Group as well. Main mission of the Regulatory Compliance Unit is the establishment and implementation of appropriate and updated policies and procedures, aiming at timely, full, complete and continuous compliance of the Company with the relevant applicable regulatory framework, and at ensuring at any time the provision of a complete picture and view about the extent of achievement of this purpose. For the establishment of the relevant policies and procedures, the complexity and nature of the Company's activities have been assessed, including the development and the promotion of new products and business practices.

The Regulatory Compliance Unit is independent and reports its operations to the Board of Directors and administratively to the Chief Executive Officer; the Regulatory Compliance Officer is granted the option to access all required information sources, has sufficient knowledge and experience and prepares the annual action plan for the regulatory compliance of the Company, which is approved by the Chief Executive Officer. The Regulatory Compliance Officer monitors the implementation of the annual action plan.

2.2.11 Risk Management Officer

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The Risk Management Officer is responsible for the monitoring and coordination of implementation of the risk management system of the Company. The risk management system of the Company constitutes a basic element of the Internal Control System (ICS) and, consequently, of the Corporate Governance System, implemented by the Company.

The Risk Management Unit is independent and is operationally accounting to the Board of Directors and administratively to the Chief Executive Officer; the Risk Management Officer has the option of accessing all required information sources and has also sufficient knowledge and experience.

The implementation of the risk management system is performed under the Enterprise Risk Management Methodology, which complies with the COSO framework.

2.3 Descriptions of divisions' responsibilities

The Company has an OPIS system in which all Operating Procedures of its Divisions and Departments have been uploaded, their updating procedure has been specified, and the relevant responsibilities have been assigned. The access to the operation procedures is controlled.

The CVs of the Directors of the Company's Divisions are available and uploaded in the website <http://www.fourlis.gr>.

In the context of the cooperations of FOURLIS Group, all Divisions of the Company, mentioned below, shall also provide supportive services to the subsidiaries.

2.3.1 Financial Division

The Financial Division reports to the Chief Executive Officer and consists of the following departments:


- Treasury Management;
- Financial Planning;
- Risk Management and insurance coverage;
- Accounting and Financial Information;
- Tax Management.

2.3.2. Division for Supplies and Corporate Governance

Reporting to: The Chief Executive Officer

This Division consists of the following Units:

- Supplies;
- Legal Services;
- Regulatory Compliance;

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- Risk Management

2.3.3 Human Resources Division

Reporting to: The Chief Executive Officer

The main responsibilities of the Human Resources Division, also including the services provided to the companies of the Group, are summarised as follows:


- Strategic and Organisation Planning;
- Hirings / dismissals - resignations - retirements;
- Remuneration and Benefits Policy;
- Payroll;
- Training (soft skills) and management of subsidised training programs;
- Human Resources development in all companies of the Group;
 - Performance evaluation system;
 - Potential evaluation system;
 - succession planning (promotions, transfers);
 - training (soft skills and technical know-how);
- Contacts with public organisations and suppliers;
- Information Systems of Human Resources Management.

2.3.4 Information Technology Division

Reporting to: The Chief Executive Officer

The main responsibilities of the Information Technology Director, also including the services provided to the companies of the Group, are summarised as follows:

- Support of SAP ERP, Microsoft Dynamics BC, Financial MIS (BPC) applications.
- Management of Systems.
- Support of a Human Resources Management System (HRMS).
- Administration of Information Technology and security of information systems of the Group.
- Strategic information technology services and information systems security services (non-regular).
- Development of information technology projects and information systems security (non-regular services).
- Infrastructure, management, information technology and systems security services (non-regular).
- Users' Productivity and Collaboration Systems (non-regular services).

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- Management and support of applications (non-regular services).

2.3.5 Sustainable Development and Social Responsibility Division

Reporting to: The Chief Executive Officer

The main responsibilities of the Sustainable Development and Social Responsibility Division, also including the services provided to the companies of the Group, are summarised as follows:

- Forming a Strategy and Planning a Sustainability/CSR plan;
- Preparation of an annual Sustainability/CSR Budget;
- Control and monitoring of the Sustainability/CSR Budget;
- Carrying-out of materiality analysis for the prioritization of sustainability issues concerning the Group and its companies.
- Organisation of procedures and actions with Sustainability / CSR character.
- Coordination of the Company and the Group's human resources for the implementation of the planned actions.
- Control and Monitoring of actions.


2.4 Permanent Committees under art. 10 of L.4706/2020

In addition to the aforementioned Committees of the Board of Directors, an Executive Committee (EXECO) has been established and operates in the Company with an advisory and explanatory role but also with an executive role, to the extent it is assigned with specific executive responsibilities by the Board of Directors. In the Executive Committee the following individuals participate:

- The executive members of the Board of Directors of the Company;
- The Chief Executive Officers of the significant subsidiaries of the Company;
- The Data Protection Officer (DPO) of the Company;
- The Human Resources Director of the Company;
- The Information Technology Director of the Company;
- The Financial Director;
- The Director for Supplies and Corporate Governance and the Company Secretary;
- The Director for Investment Relations and Corporate Communication.

The Executive Committee of the Company is held every two months, and its object is the monitoring of the Company's performance through the analysis of performance indicators, the timely recognition and management of risks, and the planning of actions for the pursuit of annual and medium/long-term goals.

The Executive Committee of the Company reports with regard to its operations to the Board of Directors and administratively to the Chief Executive Officer.


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3. Corporate Governance System

The company “FOURLIS Holdings Societe Anonyme (hereinafter referred to as the “Company”) has established and applies the present Policy and Procedure for the evaluation of sufficiency and effectiveness of the Corporate Governance System (hereinafter referred to as “the Policy and Procedure for the evaluation of the CGS”), incorporating the requirements of the institutional and supervisory framework, as reflected in Law 4706/2020 and in the Decision of the Capital Market Commission (CMC) 1/891/30.9.2020.

In accordance with L.4706/2020 (article 4 par. 1) «The Board of Directors shall specify and supervise the implementation of the Corporate Governance System in accordance with the provisions of articles 1 to 24, monitor and evaluate periodically at least every three (3) financial years its implementation and effectiveness, proceeding to appropriate steps in order to address any deficiencies».

Aim of the Policy and Procedure for the evaluation of the CGS is the periodic evaluation and compliance of the Company with the applicable institutional and supervisory requirements of corporate governance and the addressing of any kind of adverse effects arising from any failure of its compliance with these requirements.

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4. Update/ approval of the Policy and Procedure for the evaluation of the CGS

The Policy and Procedure shall be reviewed on a regular basis for the determination of the degree, to which it requires update, taking into account the effectiveness of its implementation, as well as any changes in the institutional and supervisory framework.

Its review, update and approval fall within the responsibilities of the Board of Directors. The Financial Planning, Audit and Corporate Governance Division, assisted by the IAD shall be responsible for the development and update of the Policy and Procedure for evaluation of the CGS.


4.1 Internal Control System (ICS) of the Company

The Internal Control System (ICS) of the Company is one of the basic components of the Corporate Governance System and is defined as the aggregation of the internal audit mechanisms including the risk management, internal audit and regulatory compliance. The ICS covers on a constant basis any business and action of the Company and contributes to its safe and effective operation.

The ICS includes all the policies, procedures, tasks, duties, conducts and other elements characterising the Company, which are implemented by the Board of Directors, the Management and its other employees and aim at:

- The consistent implementation of the business strategy with the effective use of the available resources;
- The acknowledgment and management of the essential risks linked to the business activity and operation of the Company;
- The effective operation of the internal audit unit;
- Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the preparation of reliable financial statements as well as of the non-financial situation;
- The compliance with the regulatory and legislative framework as well as with the internal regulations governing the Company.

The business goals, the internal organisation and the environment in which the Company operates, continuously change. As a result, the risks confronted by the Company, also change. Consequently, a sufficient and effective Internal Control System (ICS) requires the regular reassessment of the nature and range of risks, to which the Company is exposed. In any case, however, the extinction of the risks (that is not feasible) does not constitute an aim of the Company; Aim of the Company shall be the management of these risks in a desirable context

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for the Company.

To this end, the basic elements of the ICS are framed by the Risk Management System, the Internal Audit Division, the Regulatory Compliance and the Information Reporting System of FOURLIS Group (Whistleblowing), presented below.

4.2 Basic Elements of the Internal Control System (ICS)

There are 5 basic integral components of the Internal Control System (ICS):

- The control environment;
- The risk evaluation;
- The control activities;
- The information and communication;
- The monitoring.

4.3 Risk Management Unit

Risk management requires the establishment of objectives based on which the most significant events that can affect the Company are recognized, the relevant risks are assessed and the Company's response to them is decided.


All the above are recorded in the Risk Register of the Company.

The sufficiency of the Risk Management System is based on:

- the nature and extent of the risks addressed;
- the extent and categories of risks that the Board of Directors deems that they are within acceptable limits for the Company;
- the probability of realisation of the risks;
- the Company's ability to reduce the impact of risks that are ultimately realised;
- the cost of operation of specific control activities, in relation to the benefit from the risk management.

The Risk Management is a procedure, that:

- is implemented by the executive managerial officers and the other employees of the Company;
- has been designed aiming at the identification of potential events that may affect the Company;
- manages the risks within the risk-taking framework determined by the Board of Directors, so that there is reasonable certainty about the achievement of the Company's objectives and goals.

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The methodology followed for the risk management is divided into four phases:

- **Determination of objective goals:** The Company's goals shall be specified at a strategic level, in cooperation with the Management. The Company addresses variable risks arising from external and internal sources. The determination of clear goals is the necessary requirement for the effective identification, assessment and address of risks/incidents. The Company's goals are aligned with the Management's view on the taking of risks.
- **Risk Identification:** The identification of risks is based on the accumulated knowledge and experience of the Management, the employees and other entities of the Company and is carried out through structured discussions. Each working group has a moderator who leads the discussion on the risks that can affect the achievement of the Company's objectives and goals.
- **Risk Assessment:** The probability of the risk is assessed based on the following approaches depending on whether the risk is recurring or not: a) for recurring risks, on the frequency of their occurrence during the year; b) for continuous risks or risks characterized by an incident, on the probability of the occurrence of the risk in a given period of time. To assess the impact of a risk, the impact it will have on the assets and resources of the Company and the Group is considered. The impact may be: A) financial (loss of revenue, decrease in profits, drop in return on invested capital); b) commercial (loss of clientele or contracts, decrease in customer satisfaction); c) human and social (damages to physical integrity, deterioration of the social climate, civil liability requirements); d) to the image and reputation of the Company which are taken into account by all stakeholders (customers, suppliers, regulatory authorities, general public).
- **Response to the risk:** After assessment of the relevant risks, the Management shall determine the Company's response. In the course of this process, the Company shall examine the relative costs and benefits of risk response options, taking into account the measurable direct and indirect costs associated with the risk response. It shall also take into account the opportunity cost associated with using the resources to be employed for the response to the risk.


The Risk Management Officer shall be independent and shall report about their operations to the Board of Directors and administratively to the Chief Executive Officer.

The Company, in order to manage its risks, shall use the Enterprise Risk Management Methodology, which complies with the COSO framework.

4.4 Internal Audit Division

The Company has an Internal Audit Division, which constitutes an independent organisational unit within the Company, aiming at the monitoring and development of the operations and policies of the Company in relation to its Internal Control System.

The Internal Audit Division operates in accordance with articles 15 and 16 of L.4706/2020, the Hellenic Corporate Governance Code, voluntarily adopted by the Company (<http://www.helex.gr/el/esed>) and the provisions of the Company's Organisation Charter. The internal auditors execute their duties according to the Company's Code of Ethics, and apply the

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principles of independence, objectivity and confidentiality. The internal auditors shall comply with the Professional Practice Framework of the Internal Audit (International Professional Practices Framework), and with the International Standards for the Professional Practice of the Internal Audit (IIA Standards) as well as with the Code of Ethics (IIA Code of Ethics), the governing laws and the policies and procedures of the Company.

The operation, organisation and responsibilities of the Internal Audit Division are detailed described in its Charter of Operations (Internal Audit Charter) which shall be approved by the Company's Board of Directors after a proposal of the Audit Committee.

The Head of the Internal Audit Division is appointed by the Board of Directors of the Company, after a proposal of the Audit Committee, is a full-time and exclusive employee of the Company, personally and operationally independent and objective upon exercise of his/her duties, and has the appropriate knowledge and relevant professional experience. He /she is administratively reporting to the Chief Executive Officer and operationally reporting to the Audit Committee. As Head of the Internal Audit Division, he/she cannot be a member of the Board of Directors, or a member with a voting right in the Company's permanent committees, and cannot have close relations to anyone, who is holding one of the aforementioned titles in the Company or in a company of the Group.


The Company shall inform the Hellenic Capital Market Commission about any change of the head of the Internal Audit Division, submitting the minutes of the relevant meeting of the Board of Directors within twenty (20) days as of this change.

The responsibilities of the Internal Audit Division include the monitoring, audit and evaluation:

- of the implementation of the Company's Charter of Operations, especially as to the sufficiency and correctness of the financial and non-financial information provided, of the risk management, the regulatory compliance and the corporate governance code that the Company has adopted;
- of the quality assurance mechanisms;
- of the corporate governance mechanisms;
- of the adherence to commitments included in in prospectuses and in the Company's business plans in relation to the use of funds raised from the regulated market.

Further, the responsibility of the Internal Audit Department includes the following:

- the provision of assurance that the risk identification and management procedures applied by Management are adequate;
- the provision of assurance as to the effectiveness of the internal control system;
- the provision of assurance as to the quality and reliability of the information provided by the Management to the Board of Directors regarding the internal control system.

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The Head of the Internal Audit Unit shall be present in the meeting of the General Assembly of shareholders.

The Head of the Internal Audit Division shall submit to the Audit Committee an Annual Audit Program and the requirements of the necessary resources, as well as the impact from the elimination of the resources or the audit work of the unit in general. The annual audit program is drawn up based on the assessment of the Company's risks, having previously considered the opinion of the Audit Committee.

In order to carry out the work of the Internal Audit Division, its head has access to any organizational unit of the Company and becomes aware of any element required for the performance of his duties.


For its areas of responsibility, the Internal Audit Division draws up reports to the audited units including any findings, the risks arising from them and the suggestions for improvement, if any. These reports, after incorporating the relevant opinions from the audited units, the agreed actions, if any, or the acceptance of the risk of not taking action by them, the limitations on the scope of the audit, if any, the final internal audit proposals and the results of the response of the Company's audited units to its proposals, shall be quarterly submitted to the Audit Committee. In addition, the Internal Audit Division shall implement a periodic confirmation (follow-up) of the degree of implementation of the agreed actions and shall inform the Audit Committee accordingly.

Further, the Internal Audit Division shall submit at least every three (3) months to the Audit Committee reports, which include the most significant issues and its proposals on its above tasks, which the Audit Committee shall in turn present and submit together with its comments and remarks to the Board of directors.

The Internal Audit Division shall oversee the implementation of internal control systems in the Group's subsidiaries and shall be responsible for adopting common internal control principles in all companies. In this context, it has developed and complies with an Internal Audit Manual, which has been drawn up in accordance with the International Standards for Professional Practice of Internal Auditing (Standards for Professional Practice of Internal Auditing of the Institute of Internal Auditors) and with the relevant provisions of the respective legislation. Based on the specific manual, uniform guidelines and procedures shall be ensured for the operation of the Division and of the subsidiary companies that have an Internal Audit Unit.

4.5 Regulatory Compliance Unit

Main mission of the Regulatory Compliance is the establishment and implementation of appropriate and updated policies and procedures, aiming at timely and fully achieving the complete and continuous compliance of the Company with the relevant applicable regulatory framework, and at ensuring at any time the provision of a complete picture and view about the extent of achievement of this purpose. For the establishment of the relevant policies and procedures, the complexity and nature of the Company's activities have been assessed, including the development and the promotion of new products and business practices.

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The Head of the Regulatory Compliance is independent and reports its operations to the Board of Directors and administratively to the Chief Executive Officer. He/she also shall have the following responsibilities:

- Shall develop, maintain and revise the Company's regulatory compliance policies and procedures;
- Shall conduct, prepare and issue the annual action plan for the Company's regulatory compliance;
- Shall monitor the implementation of the annual action plan of the Company and shall ensure the required resources for this purpose;
- Shall inform the Chief Executive Officer about the implementation of procedures and policies via relevant reports;
- Shall receive and manage internal reports in the context of the Whistleblowing System;
- Shall inform and keep the file for the conflict of interests and prepare the relevant reports;
- Shall perform reviews and audits in relation to the regulatory compliance;
- Shall conduct due diligence reviews on Suppliers/Partners;
- Shall submit proposals and implement or propose the implementation of corrective or/and precautionary steps on the basis of the findings of the audits performed;
- Shall provide training services on regulatory compliance issues;
- Shall function as consultant on regulatory compliance issues and shall participate in that capacity in development and promotional projects of new business activities and practices.

5. Policy and Procedure for the Evaluation of the Internal Control System (ICS)


The Company has a specific procedure for regular evaluation of the ICS by an objective, independent, accredited and adequately experienced evaluator as provided in article 9 and article 14 of L.4706/2020 and analysed in the decision no.1/891/30.9.2020 of the Board of Directors of the Capital Market Commission. Further, the Company has a specific procedure for the proposal, election and approval of the evaluator of the ICS.

The Policy and Procedure for periodic evaluation of the ICS specifies the objects of evaluation, the form and the recipients of the evaluation report, the regularity, the assignment procedure to the independent evaluator and the subsidiaries included in the evaluation.

Objects of Evaluation of the ICS

The objects of evaluation, as specified in the evaluation procedure of the ICS of the Company have as follows:

Control Environment

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The evaluation of the Company's Control Environment focuses:

- on the context of integrity and ethical values within which the decisions of the Board of Directors are made and on the monitoring procedures for the faithful adherence to them;
- on the organizational structure of the Company through which the areas of responsibility of the business units - divisions, the control of their works and the lines of reference are delineated;
- on the structure, organization and mode of operation of the Board of Directors, regarding the relations with the executive management, the supervision of the ICS and its composition;
- on the corporate responsibility with which the Company's senior executive management establishes its organizational structure for the achievement of the Company's goals;
- on human resources, regarding recruitment, remuneration, training and performance evaluation policies.

The Control Environment constitutes the foundation of the Internal Control System (ICS) applied by the Company. It influences the method of preparation of the business strategies and goals, the structure of the corporate processes as well as the procedure of recognition, evaluation and total management of the business risks. It also influences the planning and operation of the control activities, the information & communication systems as well as the monitoring mechanisms of the Internal Control System (ICS).

The control environment is substantially the aggregation of many separate components specifying the entire organisation and administration and operation method of the Company.


Risk Management

The assessment of the ICS focuses on risk assessment procedures, on the Company's risk management and response procedures and on the risk monitoring procedures.

More specifically, the role, the function and the responsibilities of the Risk Management Unit shall be assessed as well as the practices applied by this Unit.

The adequacy and efficiency of the Internal Control System (ICS) of the Company is based: a) on the nature and extent of the risks confronted by the company; b) on the extent and categories of risks considered as approved for taking by the Board of Directors; c) on the possibility of implementation of the above risks; d) on the ability of the Company to reduce the adverse effect of the risks which are finally implemented; and e) on the operation cost of certain control activities, in relation to the benefit from the risk management.

The risk assessment is conditional to the determination of objective business goals set by the executive management of the Company. Based on these, the significant facts that might influence them should be identified, the relevant risks should be assessed and the response of the Company to them should be decided.

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Control Activities

The assessment of the control activities of the ICS focuses on conflict-of-interest issues, on separation of duties and information system security issues of the Company.

The Control Activities are the policies, the procedures, the techniques and the mechanisms, put into service, so that it can be ensured that the decisions of the Board of Directors in relation to the risk management threatening the achievement of the objective goals of the Company, are implemented. They concern the entire Company and are performed by the officers of any level and grade (Board of Directors, Management, other employees) and in all corporate activities.

The control activities consist of many categories of actions, with a different cost and efficiency level, depending on the circumstances. They include approvals, authorisations, confirmations, reviews of operational performance, security of assets. They constitute a part of everyday tasks of the employees and are incorporated in the corporate policies and procedures, which should be reviewed periodically, in order to be properly updated

Every applicable control activity is connected to the existence of a relevant risk, since, otherwise, its operation induces a cost (direct or indirect) to the company, without granting a benefit related to the achievement of its business purposes. Upon choosing between the possible alternate control activities for the cover of a risk, the relation between cost and benefit shall be taken into account.

Information & Communication System


The assessment of the Company's ICS, as regards the effectiveness of information and communication, focuses on the effectiveness of the development and dissemination procedure of both the financial and the non-financial information.

A component of the Internal Control System (ICS) is also the method used by the Company to ensure the identification, collection and communication of information, at such time and in such a way, that various officers of the Company are allowed to perform their tasks and responsibilities. This flow may run in all directions, inside (top-down, bottom-up, horizontally/across) and outside the Company towards shareholders, investors and supervisory authorities.

Monitoring of the ICS

The assessment of the Company's ICS has also as object the effective functioning and operation of mechanisms and structures of the Company, entrusted with the ongoing evaluation of the ICS data and, in particular, with the evaluation of the Audit Committee, the Internal Audit Division and the Regulatory Compliance Unit.

The monitoring of the Internal Control System (ICS) of the Company lies in the continuous evaluation of the existence and operation of the integral components of the internal audit framework. This is achieved through a combination of constant supervisory activities but also of individual evaluations. The identified inadequacies of the Internal Control System are

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communicated to the senior levels of the Company, whereas the most significant among them to the Senior Management and to the Board of Directors.

In relation to the Audit Committee, the assessment focuses on the monitoring procedure of the effectiveness of the entire ICS, with which the Committee is entrusted.

In relation to the Internal Audit Division, the assessment focuses on the compliance with articles 15 and 16 of L.4706/2020, and especially:


- On the existence and implementation of a Charter of Operations of the Internal Audit Unit, approved by the Company's Board of Directors;
- On the incorporation of operations of the Internal Audit Unit in the context of the Company's governance, its organisational independence and its staff sufficiency;
- On the overview of tools and techniques used by the Internal Audit Unit;
- On the overview of a combination of knowledge and skills of the employed personnel in the Internal Audit Unit;
- On the sample overview of audit reports of the Internal Audit Unit of the Company and its subsidiaries as regards their timely submission as well as their fit and proper preparation and their completeness in accordance with the provisions in article 16 of L. 4706/2020.

In relation to the Regulatory Compliance Unit, the assessment focuses on the compliance with the provisions on corporate governance of L.4706/2020, and especially:

- on its independence, the option of accessing all required sources of information, the timely and valid communication of its findings and its training and information about the monitoring of the effective adoption and smooth implementation of the changes made in the regulatory framework;
- on the recruitment sufficiency with staff having sufficient knowledge and experience, for the successful completion of the said responsibilities;
- on the existence of approved by the Audit Committee, annual action plan and on the monitoring of its implementation.

Regularity of Evaluation of the ICS

The periodic evaluation of the Internal Control System (ICS) is performed especially with regard to the adequacy and efficiency of the financial and non-financial information, on a single and consolidated basis, as regards the risk management and as regards the regulatory compliance, according to the recognised evaluation standards and the internal audit standards, as well as the implementation standards of the provisions on corporate governance of the applicable legal framework. The evaluation of the Internal Control System is performed by an independent person demonstrating relevant professional experience, according to the optimal international practices (indicatively, the International Auditing Standards, the Framework of

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International Professional Standards for the Internal Audit and the Framework of the Internal Control System of the Committee (COSO)).


The Board of Directors of the Company is obliged to cooperate with the Hellenic Capital Market Commission in case the latter requests the ad hoc execution of evaluation of the ICS of the Company.

Procedure for Assignment of Evaluation of the ICS

The procedure for the proposal, selection, approval and finally evaluation of the ICS commences upon order of the Board of Directors of the Company to the Chief Executive Officer, in order for the latter to collect three (3) written and signed offers by objective, independent, accredited and adequately experienced evaluators. The evaluators are legal or natural persons or association of persons.

Subsequently, the Chief Executive Officer of the Company, assisted by the Chief Financial Officer of the Company, collects three (3) written and signed offers by evaluators meeting specific regulatory criteria as clearly provided in article 9 of L.4706/2020 and in the decision no.1/891/30.9.2020 of the Board of Directors of the Hellenic Capital Market Commission:

- Independence (article 9 of L.4706/2020). The following are indicatively described as indications of independence:
 - ✓ The non-holding directly or indirectly of a percentage of voting rights greater than zero comma five percent (0.5%) of the Company's share capital;
 - ✓ release from financial, business, family or other dependent relationships with the Company, its Board of Directors or its top managers, which may influence their decisions.
- Objectivity (decision no.1/891/30.9.2020). Impartial stance and mentality. In the context of ensuring independence and objectivity, the evaluation of the ICS cannot be carried out by the same Evaluator for a 3rd consecutive evaluation,
- Certification and Sufficiency of Knowledge and Resources (decision no.1/891/30.9.2020). The head of the ICS's evaluation project team, and in any case the signatory of the evaluation, must have the appropriate professional certifications (depending on the professional standards invoked) as well as proven relevant experience (such as in ICS's evaluation projects and corporate governance structures). Further, the Evaluator takes all the necessary measures so that during the execution of the project the persons who participate in it shall have appropriate knowledge and experience regarding the tasks assigned to them and he/she shall use appropriate quality assurance systems, sufficient human and material resources and procedures, in order to ensure the continuity, regularity and quality of the carrying-out of the works.

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The next step of the assignment process is the recommendation of the Company's Chief Executive Officer to the Company's Audit Committee as to the appropriate evaluator based on the aforementioned regulatory criteria as well as on technical and financial criteria.

The Company's Audit Committee checks the CEO's proposal and in turn submits proposals to the Company's Board of Directors, which is ultimately responsible for the selection of an evaluator and the assignment of the ICS's evaluation project.

The selected evaluator then starts working on the project and concludes with the evaluation report described below.

Evaluation Report of the ICS and Recipients

The Evaluation of the ICS results in a summarised but also detailed report covering the total number of findings and the possible risks related to the objects of the Evaluation. The two reports include necessarily the time of their preparation and execution, the date of the Evaluation reporting and the period of time they cover.

The recipients of the summarised and detailed report are the Board of Directors and the Audit Committee of the Company.

The Company submits promptly to the Capital Market Commission, and in any case within three (3) months as of the reporting date of the Evaluation Report, the summary of the Report, and, if requested, the entire text of the report.

The annual Corporate Governance Statement includes a relevant reference to the results of the Evaluation Report.


Significant Subsidiaries included in the Evaluation of the ICS

According to art.2 of L.4706/2020, as significant subsidiary of the Company is defined the subsidiary that influences or might substantially influence the financial status or the performances or the business activity or the general financial interests of the Company. Furthermore, according to the decision no.1/891/30.9.2020 of the Board of Directors of the Capital Market Commission, the Evaluation of the ICS includes, in relation to the object and the regularity, the significant subsidiaries of the Company.

The Company specifies as significant subsidiaries these subsidiaries that meet cumulatively the following criteria:

- Their share in the total turnover is at least 25%; and
- Their share in the entire assets is at least 25%; and
- Their share in the total number of employees is at least 25%.

These criteria are re-assessed every three years.

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6. Information Reporting System of FOURLIS Group (Whistleblowing)

The Company as a member of FOURLIS Group has access to the Information Reporting System (Whistleblowing) of the Group. The FOURLIS Group is complying with the Directive 2019/1937 of the European Parliament and the Council on the protection of individuals reporting violations of EU laws.

Internal Reporting Channels, Characteristics and Procedures


The Whistleblowing System, applying the criteria of impartiality and independence, appoints as the person responsible for the receipt and management of reports the Company's Regulatory Compliance Officer. The latter may guarantee the assistance of other persons or services within the Group towards the more effective handling and management of the reports. The other persons or services are in any case bound by the principles of the Whistleblowing System.

The Whistleblowing System, applying the criteria of impartiality and independence, appoints as the person responsible for the receipt and monitoring of reports (O.R.M.R: Officer for the Receipt and Monitoring of Report) the following listed persons:

- For the company "FOURLIS Holdings SA": Maria Theodoulidou - Director of Regulatory Compliance of the Group.
- For the company HOUSEMARKET SA: Maria Theodoulidou - Director of Regulatory Compliance of the Group.
- For the company INTERSPORT: Natassa Spyrou - Director of Human Resources of the Group.
- For the company Trade Logistics: Natassa Spyrou - Director of Human Resources of the Group.

The reports may be submitted and received via three alternative channels:

- By a written report through an email message sent to the mailbox codeofconduct@fourlis.com, or
- By telephone call report to the phone number +30 210 6293010 or
- By filing a request for a live meeting within a reasonable period of time. The request shall be submitted in writing or by call.

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7. Procedures for Hiring and Evaluating Senior Executive Officers

Ensuring absolute compliance with the principle of meritocracy and respecting the privacy of the candidates and their personal data, the Company applies specific procedures for the recruiting, hiring and subsequently evaluating its officers.

Procedure for the Hiring Senior Executive Officers


According to the organisational level of the post in question, the procedure of attracting candidates (recruitment procedure) and hiring the most suitable among them, commences in four ways:

- Assignment of the commencement of the procedure to specialised consulting companies, which undertake the recruitment. This method is principally followed for the recruitment of candidates for senior officer posts (see below).
- Uploading of a vacancy notice in the webpage of the Group (<http://www.fourlisgroup-careers.gr/>) or/and in the collaborating webpages specialised in job hunting.
- Hiring / promotion / movement internally (open resourcing).
- Cooperation with educational reputable bodies in the public and private sector.

Procedure of Evaluation of Senior Executive Officers

The Procedure for the assessment of the Company's officers is targeted to the establishment of a meritocracy environment in which all employees identify their strong points but also the points that they need to improve, as regards their performance at their workplace. More specifically, the main objects of performance evaluation are the following:

- Feedback: information of the employees about their performance, so that the employees can continue making efforts for their improvement; Enhancement and confirmation of the "strong points" of the employees.
- Development: clarification, through a constructive discussion, of the needs for improvement of the employees in order to develop and evolve.
- Improvement of Performance: giving appropriate attention to the points that the employees must improve.
- Design and preparation of an action plan: specifying certain actions, so that the utilisation of the abilities of the employees is ensured;
- Forwarding of the communication between the assessed employees and their direct senior Team Leader.

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The evaluation procedure is followed once per year, commencing from the determination of personal goals for the next 12-month period. The personal goals are specified on the basis of corporate priorities and are usually quantitative. Parallel to that, the evaluation procedure also covers qualitative skill, leadership, team-work parameters etc.


The Human Resources Division is responsible for compliance with the evaluation procedure, maintains and develops the required software to which all employees have personal access. The software allows the registration of goal achievements, evaluation by the Head of the Division, self-assessment, evaluation by the direct senior team leader, the confirmation of the correct illustration of the evaluation by the next direct senior team leader, the ambition of the evaluated person for development, the recording of comments as to the improvement steps and the needs of the evaluated individuals, which are discussed in the end with the Company's Human Resources Division as well, and concerning the senior officers with the Group's Human Resources Division.

8. Procedure for Compliance with EU Regulation 596/2014 on transactions by persons discharging managerial responsibilities.

The Company has a specific procedure for the compliance of the persons discharging managerial responsibilities, in full compliance with the provisions of article 19 of the EU Regulation 596/2014 on the transactions concluded by directors and managers of listed companies and by the persons who have close bonds and links to them.

In the context of application and enforcement of article 19 of the EU Regulation no.596/2014 and the related EU Regulations, issued under authorisation, no.522/2016 and no.957/2016 and the implementing EU Regulation no.523/2016, as of 3/7/2016 the individuals discharging managerial responsibilities in companies listed in the Athens Stock Exchange and, more specifically, in "FOURLIS HOLDINGS SA-shares", as well as the individuals having close relations to them, are obliged to notify the Hellenic Capital Market Commission and the Company (Investor Relations Department of FOURLIS Group and Company Secretary) of the transactions executed on their own behalf in shares or bonds of the specific Companies-issuers, and to abstain from market abuse acts (manipulation, abuse of inside information, illegal disclosure of inside information).

The Procedure for the Compliance of the Individuals discharging managerial responsibilities in the Company specifies in detail the steps for its execution as well as the obligations and responsibilities of the involved individuals.

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9. Procedure of Inside Information Management

List of persons in possession of Inside Information

The Company has a specific procedure for the handling and management of inside information in compliance with article 18 of EU Regulation 596/2014 on the list of individuals in possession of inside information and with the provisions of the implementing EU Regulation 347/2016 on the sample forms for the proper and correct drafting and updating of the list.


In the context of application of article 18 of EU Regulation no. 596/2014 and of the Implementing EU Regulation no. 347/2016, any listed in the Athens Stock Exchange company and more specifically "FOURLIS HOLDINGS SA-shares" is obliged to draft and prepare and to update a list of all individuals having access to inside information and who are employed by this company under an employment contract, contract for the provision of independent services or who are otherwise exercising duties and upon this exercise of duties gain access to inside information such as consultants, accountants, or organisations for the assessment of creditworthiness. Inside information may be, among other things, an agreement, plan, corporate or financial incident, the publishing of financial statements or pre-announcements of reduced corporate profits. Any person included in the list of individuals in possession of inside information approves in writing the legislative and regulatory obligations imposed on him/her and is aware of the sanctions imposed in case of acts of abuse of inside information and illegal disclosure of inside information. The lists of possessors of inside information, when requested, are submitted electronically to the Capital Market Commission, as soon as possible, to the e-mail address: InsiderList@cmc.gov.gr.

10. Procedure for Disclosure of Dependency Relationships of the members of the Board of Directors

In compliance with the provisions of article 9 of L.4706/2020 on independent non-executive members of the Board of Directors, the Company has a procedure for the disclosure of any dependency relationships of the members of its Board of Directors and of the individuals having close relations to them.

The Board of Directors is responsible for taking the required steps and measures that ensure the aforementioned compliance, as well as the required actions in case it is found out that the independence requirements specified by law do not apply. The review of the prerequisites and requirements takes place on an annual basis with the assistance of the Company Secretary and is included in the annual financial management report.

The independent members of the Board of Directors shall be required to inform the Company Secretary in writing about any possible change in their independent status whenever so required. The Company Secretary, subsequently, shall inform the Nomination and Remuneration Committee, in order for the election procedure of a new independent non-executive member of

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the Board of Directors of the Company be commenced. The Company Secretary is responsible for the diligent maintenance of the relevant file / record including the changes in the independent status of the independent members of the Board of Directors and the steps taken for the replacement of the members under this procedure.

The Procedure for the Disclosure of Dependency Relationships of members of the Board of Directors of the Company specifies in detail the steps for its execution as well as the obligations and responsibilities of the involved persons.


11. Compliance Procedure with the requirements of article 14, paragraph 3, lit (f) of L. 4706/2020 and of articles 99-101 of L. 4548/2018 on transactions with Related Parties

Every related company follows the rules regarding the transparency, the independent financial management, the accuracy and correctness of its transactions, as provided by law. «Related Parties», in accordance with the applicable laws (art. 99 of L. 4548/2018), are the persons defined as related to this Company under the International Accounting Standard 24, as well as the legal entities controlled by the aforementioned Company, according to the Accounting Standard 27.

The transactions between the Company and its related parties are prohibited in accordance with art.99 par. 1 of L. 4548/2018. This prohibition does not apply as regards transactions and contracts provided in par. 3 of article 99 of L. 4548/2018.

For the granting of the authorisation and the execution of the transaction with a related party, article 100 of L. 4548/2018 applies and the publicity requirements of art.101 of the same law apply.

The compliance procedure in relation to transactions with related parties of the Company specifies in detail the steps for its execution as well as the obligations and responsibilities of the persons involved.

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12. Policy and Procedure of Prevention and Handling of Conflict-of-Interests Cases

The Company has and applies a Policy for Conflict of Interests according to art.14 of L.4706/2020. In the Policy for Conflict of Interests are included the procedures for prevention of conflict of interests, measures for the disclosure and management of conflict of interests, and any cases and conditions that, exceptionally, will justify and allow the conflict of interests of a member of the Board of Directors or a Senior Executive Officer, provided that the said interests of the member or the director are significantly restricted or constitute an object of appropriate management. All real and possible conflicts of interests constitute an object of adequate communication, discussion, documentation, decision making and diligent management (that is, the required measures for the restriction and elimination of conflicts of interests are taken).

A conflict of interest may occur, if a member of the Board of Directors of the Company, a senior director, managerial or equal officer, employee or member of the family of any of the above persons, proceeds to a transaction or presents an interest making difficult objectively the execution of his/her duties or accepts an unfair personal gain, as a result of his/her position in the FOURLIS Group.


13. Procedure of Legislative and Regulatory Compliance

In compliance with art.13 of L.4706/2020 on organisational regulations in the context of implementation of an efficient Corporate Governance system, in the Company operates a Regulatory Compliance Unit providing relevant services to its significant subsidiaries as well. Principal responsibility of the Regulatory Compliance Unit is the monitoring of the establishment and implementation of suitable and updated policies and procedures, with the purpose of timely achievement of the full and constant compliance of the Company with the relevant applicable regulatory framework and of ensuring at any time the provision of a complete picture and view about the extent of achievement of this purpose.


The Regulatory Compliance Officer is responsible for compliance with the annual planning of audits and controls in relation to the regulatory compliance of the Company and, especially, as regards the control areas emerging from the annual planning of the Internal Audit Division.

Within FOURLIS Group, the Company operates under the present Charter of Operations. The Regulatory Compliance Unit monitors, in the context of its responsibilities, and Corporate Governance, at least the following:

Description of Law
L.4443_2016 on the protection of Capital Markets from acts of persons in possession of inside information and on market abuse and manipulation
L.3556_2007 on disclosure requirements of significant shareholdings

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L.3666_2008 Validation and enforcement of the UN Convention against Corruption
L.3693_2008 Harmonisation of the Greek laws with the Directive 2006/43/EC on statutory audits and annual and consolidated accounts, on the amendment of the Directives 78/660/EEC and 83/349/EEC of the Council and the repeal of the Directive 84/253/EEC of the Council
L.3873_2010 CORPORATE GOVERNANCE. Incorporation in the Greek legal order of the Directive 2006/46/EC of the European Parliament and the Council on the annual and consolidated accounts of companies of certain legal forms and of the Directive 2007/63/EC of the European Parliament and the Council on the requirement for drafting of a report by an independent expert in case of a merger or split-up of societies anonymes
L.3884_2010 Incorporation in the Greek laws of the Directive 2007/36/EC of the European Parliament and the Council, dated 11 July 2007, on the exercise of specific rights by shareholders of listed companies – Amendment and adaptation of the codified law 2190/1920 on societies anonymes and of L. 2396/1996.
L.4099_2012 Undertakings of collective investments in transferable securities and societies anonymes for the management of mutual funds, Directive 2009/65/EC. Adaptation of the Greek laws to the provisions of the Directives 2010/ 78/EU, 2010/73/EU, 2011/96/EU, 2009/133/ EC, 2004/ 113/EC.
L.4443_2016 INSIDE INFORMATION taking of required compliance measures with the articles 22, 23, 30, 31 par. 1, 32 and 34 of the Regulation 596/2014 on market abuse and the repeal of the Directive 2003/6/EC of the European Parliament and the Council and the Directives of the Commission 2003/124/EC, 2003/125 EC and 2004/72/EC and incorporation of the Directive 2014/57/EU on criminal sanctions for the market abuse and the implementing Directive 2015/2392
L.4449_2017 Statutory audit of annual and consolidated financial statements - public supervision on the auditing work and other provisions
L.4548.2018 Reformation of the Law on Societes Anonymes
L.4557_2018 ANTI MONEY LAUNDERING Prevention and combating of money laundering and financing of terrorism (incorporation of the Directive 2015/849/EU) and other provisions
L.4706_2020 Corporate Governance of societies anonymes, real-time capital markets, incorporation in the Greek laws of the Directive (EU) 2017/828 of the European Parliament and the Council, on measures for the implementation and enforcement of Regulation (EU) 2017/1131 and other provisions
Description of EU Regulation
EU Regulation 302-2018 on addressing unjustified geo-blocking
EU Regulation 537-2014 on statutory audit of public-interest entities
EU Regulation 596-2014 MARKET ABUSE
EU Regulation 679-2016 GDPR
Description of EU Directive
DIRECTIVE EU 2014-56 on statutory audits of annual accounts and consolidated accounts CELEX_32014L0056_EL_TXT


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DIRECTIVE EU 2017-828 on the encouragement of long-term active participation of shareholders CELEX_32017L0828_EL_TXT
DIRECTIVE EU 2019-1937 WHISTLEBLOWERS CELEX_32019L1937_EL_TXT
Description of a Decision of the Hellenic Capital Market Commission (HCMC)
HCMC BoD 890_1A_18.9.2020 REGULATORY SYSTEM OF SANCTIONS L.4706
HCMC BoD 890_1B_18.9.2020 CIRCULAR 60_GUIDELINES FIT AND PROPER POLICY L.4706
HCMC BoD 891_30.9.2020 REGULATORY EVALUATION OF THE INTERNAL CONTROL SYSTEM (ICS) L.4706 GOV.GAZ. _B 4556-2020
HCMC BoD 905_2_3.3.2021-CORPORATE GOVERNANCE CODE - REPUTED ORGANISATION/BODY
Description of IAS
I.A.S. 24_2004 (16_12_2004)-Disclosures of related parties
I.A.S. 27_2004 (31_3_2004)-Consolidated and separate financial statements.

14. Obligation for the Disclosure of Inside Information

The Company is obliged to disclose without willful delay the inside information, as provided in article 17 of EU Regulation no.596/2014, that concerns it directly. For the purposes of this Regulation and based on the decision no.3/347/12.7.2005 of the Board of Directors of the Capital Market Commission and on article 6 of L.3340/2005, as inside information is meant indicatively but not limited to the following types of information:

- Decisions for the essential change of the business activity or of the company included in the Company's consolidated financial statements;
- Decisions or agreements for the conclusion or termination of major cooperations or business alliances in Greece or abroad, acquisition of patent licenses and patents;
- Decisions to make a takeover bid;
- Decisions or agreements for participation in a merger, split-up or acquisition process as well as in the process of significant acquisition or disposal of shares;
- Decisions for the change of the composition of the Board of Directors, of the general directors/managers, of the auditors, of the Head of Financial Services;
- Decisions for the distribution and payment of dividends, for acts of issuing new financial instruments, distribution, subscription, resignation and conversion;
- Decisions to change material elements contained in the most recent prospectus of the Company or in the Financial Report, also including the commitments undertaken for the use of raised funds;
- Decisions to reorganize operations or activities that are expected to have a significant impact on the financial position and results;

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- Share buy-back programs.
- Bankruptcy petitions and bankruptcy court decisions as well as other legal or judicial disputes that may affect the Company's financial condition and results.
- Revocation of a decision on the granting of credits by the Company's creditors or refusal to grant such credits.
- Insolvency of the Company's debtors which may affect its financial condition and results.
- Any material change in the Company's financial situation, and in its capital structure, especially in terms of its debt burden.
- In the case of a Company which prepares consolidated financial statements, any change that significantly affects the structure or the consolidated financial figures of the Group.
- Significant changes in estimated or forecasted results announced by the Company.


Every issuer shall inform the public as soon as possible of inside information directly concerning that issuer.

The Issuer ensures that the disclosure of inside information shall be made in a way allowing the fast access to the information and the complete, correct and timely assessment of information by the public, as well as, where applicable, in the context of the officially specified mechanism, referred to article 21 of the Directive 2004/109/EC of the European Parliament and the Council (1). The issuer must not combine the disclosure of inside information with the commercial promotion of its activities. The issuer posts and maintains on its official website for a period of at least five years, all inside information that it is required to make public.

The responsibility for compliance with the aforementioned as well as for the information of the responsible authorities has the Group's Division for Investment Relations and Corporate Communication.

15. Training and Education Policy

The Company cares for the constant education and training of the members of the Board of Directors, the senior officers but also those persons involved in the internal audit, the risk management, the regulatory compliance and the information systems. More specifically, the Company cares so that the aforementioned persons monitor, at regular intervals, training seminars related to the range of their duties and to the object of the business activities of the Company

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16. Sustainable Development Policy

The Management of the Group and of its subsidiaries is committed to the implementation of the Policy for Sustainable Development, at all levels, the companies and the business sectors of the Group.

1.1.The Values and the Mission of the Group

The Values of the Group are Integrity, Mutual Respect and Efficiency


The Mission of all people in the FOURLIS Group is the creation of an additional value for our customers, our people, our shareholders and the society, providing products and services for a better life.

1.2.For our People

- We care for the creation and safeguarding of job positions through the development of our business activities in Greece and abroad.
- We respect, support and promote internationally recognised human rights through policies we adopt and initiatives we undertake.
- We offer a working environment of meritocracy and equal opportunities, applying policies of fair recruitment, rewards and professional development, to our entire human resources, without any discrimination.
- We invest in the ongoing training and development of our human resources, as well as on its systematic and meritocratic evaluation.
- We implement a Health and Safety Policy for all the companies of the Group in all the countries, where the Group runs its business, providing a healthy and safe working environment.
- We offer health benefits to our employees and individualised support in cases of serious health problems and of those seriously affected by natural disasters.
- We encourage and promote the volunteering of our employees.

1.3.For Society

- We are constantly informed about the needs of the citizens and the societies in which we are engaged through established communication and consultation channels
- We evaluate and prioritise the needs and afterwards we plan and implement programs and actions on the criterion of covering actual and substantial needs of the relevant local community, the number of benefited people and the nature of our activities.
- We implement social activities, aligned to the strategic social responsibility of our Group (support of vulnerable social group and, mainly, support of children)/
- We respond to urgent needs (eg pandemic, natural disasters), in addition to the established scheduling of the social responsibility plan.

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1.4.For the Market

Financial Development

- We aim at the achievement of positive financial results, at the continuing of strictly selected investments and at the utilisation of new investment opportunities.
- We invest in the technology and upgrading of our services, following the rapid changes in the habits of the consumers but also the face of the retail trade, pursuing the cover of the increased expectations of the consumers and the creation of a positive experience for the customer.
- We care for the continuous development of our relations with our suppliers, through the communication of the cooperation terms and the fundamental framework of principles and values that must govern our mutual cooperation.
- We offer quality and accessible products.

Corporate Governance


- We comply with the laws and implement the control activities for compliance with the rules related to the activity of all the companies of the Group.
- We have developed and apply a Code of Ethics and relevant policies.
- We have adopted the Hellenic Corporate Governance Code for listed companies.
- We adopt a corporate structure and governance allowing close relations with our investors, aiming ultimately at the creation of additional value for the shareholders.
- We evaluate and manage the business risks with the purpose of guaranteeing the interests of all our stakeholders.
- We have committees, take steps and measures and follow policies and procedures for the enhancement of transparency and the prevention and fighting of fraud, corruption and bribery and any behavior contrary to the Code of Ethics.

Health, Safety and Accessibility of Customers and Visitors

- We apply a Health and Safety Policy for all companies of the Group in all countries where it runs its business.
- We provide a healthy and safe environment for partners and guests in our facilities.
- We care for the possibility of safe stay and movement and the accomodation of disabled individuals in our facilities.
- The products traded by the companies of the Group meet international quality and safety standards.

1.5.For the Environment

- We implement actions for the protection of the environment exceeding the limits of compliance with the legislation.

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- We focus on actions for the reduction of our environment footprint, proper energy management and the reduction of greenhouse gases, the saving and recycling of natural resources, the responsible water consumption.
- We offer products contributing to a sustainable lifestyle.
- We raise awareness of employees, customers and the public in relation to environmental protection matters and the adoption of a sustainable lifestyle.

As regards all aforementioned matters, we set separate sustainable development goals, which we assess on a yearly basis with regard to their efficiency and we revise them, when and where it is deemed required, aiming at continuous improvement.

1.6.Additional Sustainable Development Steps

- We have co-signed as of 2008 the United Nations Global Compact, and we are committed to adopting, to support and to promote, through our business activities its 10 principles.
- We perform a materiality analysis in the context of continuous improvement of the Group's approach to issues of sustainable development and social responsibility, in order to prioritise the issues of the Group having the most significant financial, social and environmental impact, but also significantly influencing the Group's stakeholders.
- We link the substantial matters to the Sustainable Development Goals (SDGs) of the United Nations, contributing to their attainment through the responsible operation, of our programs and the related results.
- We inform our stakeholders about the executed work in the sector of Sustainable Development, publishing yearly a relevant Report according to the internationally accepted standards of Sustainable Development.

17. Policy for Human Rights

In **FOURLIS Group** we act and operate responsibly, we are continuously evolving and we proceed in all the countries that we run our business with a commitment to our Values and driven by respect for our employees and all our stakeholders, the support of the society and the protection of environment, aiming at sustainable development at an economic, social and environmental level.

Our Values


Integrity, Mutual Respect, Effectiveness

Our Vision

Passion for a better life!

Our Mission

To create an additional value for our customers, our people, our shareholders and society, providing products and services for a better life.

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Policy Statement - Our commitment

The respect of Human Rights constitutes, for the Companies of FOURLIS Group, a matter of fundamental importance, as this is also apparent from our Group's principles: Integrity, Mutual Respect, and Effectiveness.

We commit to apply both the basic international principles for human rights as well as the national laws in the countries in which we run our business.

We commit to ensure that all humans are treated fairly, with integrity and respect.

We commit to guaranteeing a working environment of equal opportunities, without discrimination and harassment, for all our employees.

We commit to the promotion of respect for and of the protection of Human Rights, both in the internal environment of the Company as well as in our sphere of influence on the stakeholders. The Code of Ethics of the Group safeguards the fundamental principles of human rights.

International Regulations, Directives and Standards


The preparation of this policy was based both on the applicable policies and procedures of FOURLIS Group, as well as on internationally recognised standards and guidelines. In more detail:

- On the international draft law on Human Rights (consisting of 5 Declarations including the Universal Declaration of Human Rights adopted by the United Nations);
- On the 8 Core Conventions of the International Labour Organization (International Labour Organization, ILO)
- On the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases;
- On the United Nations Global Compact – «UNGC»;
- On the Guidelines of the Organisation for Economic Cooperation and Development (OECD);
- On the Diversity Charter
- On the Guidelines for Undertakings and Human Rights, adopted by the United Nations.

18. CODE OF ETHICS OF FOURLIS Group

The Societe Anonyme under the name „FOURLIS HOLDINGS SA”, as well as its affiliated companies, which are fully consolidated and constitute the FOURLIS Group (hereinafter referred to as the “Group”), having assessed the nature and the complexity of their activities, have adopted, and apply the Code of Ethics (hereinafter, the “Code”), aiming at:

- Ensuring compliance with the applicable institutional and supervisory framework governing the operation of the Group's companies.
- practicing conducts that do not affect or damage the business and social image, the fame and reputation of the Group. The Code contains the fundamental principles, rules and values

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that guide and form the Group’s business framework and specify the daily conduct expected by all employees, as well as the mode in which the business activities and cooperations are carried out.

- providing guidance in cases of doubts regarding issues relating to the principles and the rules of business ethics.

The Code concerns the human resources of the Group, whereas it functions as a guided document in relation to the principles, standards and values expected to be applied by third parties when they are providing services to the Group. Compliance with the Code must be ongoing, even outside the strictly closed framework of business activity, and in cases that conducts and actions of the members of the Group's human resources could be linked and attributed to the Group.


19. SUPPLIERS’ CODE OF ETHICS OF FOURLIS GROUP

The Societe Anonyme under the name „FOURLIS HOLDINGS SA”, as well as its affiliated companies, which are fully consolidated and constitute the FOURLIS Group (hereinafter referred to as the “Group”), have established, apply and implement a Code of Ethics, binding the entire human resources of the Group and aiming at ensuring the compliance with the regulatory and institutional framework, as well as at the practise of conducts that do not affect or damage the image, fame and reputation of the Group. Respective Conducts shall be expected by the Group's suppliers as well. In this context the Group requests from the suppliers to recognise and comply with the applicable Suppliers’ Code of Ethics (hereinafter referred to as the “Code”). The Code shall constitute an integral part of the contracts with the suppliers (it shall be attached as an annex to the contracts).

20. Procedure of Anti-Fraud, Anti-Corruption and Anti-Bribery Management


FOURLIS Group of Companies adopts zero tolerance to all kinds and forms of fraud, bribery or corruption. Fraudulent incidents may cause financial losses to either the Group or its clients, as well as having a negative impact on its reputation. Since the Group’s primary intention is to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and the conduct of investigations in case of relevant incidents, this document serves as the Group’s framework, guidelines and processes for the said purpose.

This Process applies to all Group Companies including entities with operations both in Greece and abroad and to any illegality/irregularity involving employees, as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies and/or any other parties with a business relationship with FOURLIS Group of Companies. In this sense the procedure covers all reported anonymously or not incidents like (a suspicion of) bribery and corruption incidents, misappropriation of assets, theft, violation of GDPR/Information Security principles and policies, disclosure of confidential and proprietary information to outside parties, unauthorized transactions, as well as audit related findings by

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e.g. internal audit, compliance, external audit and any findings during the application of internal controls that are considered unethical and unacceptable and are inconsistent with the Group's values and the Code of Ethics.

Towards the prevention of irregular incidents, the Group has adopted and implemented a Policy, and a system of principles for the prevention of bribery, corruption and fraud, also taking all possible measures to prevent and manage relevant incidents.

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21. FINAL PROVISIONS

The Company's BoD is responsible for the approval and amendment of this Regulation, which is entered into force from the date of its approval until being amended or repealed by a relevant decision of the BoD.

This Charter has been approved by a Minutes of the Company's Board of Directors.