



# Internal Rules of Operation



**As amended and approved by virtue of a decision of the Board of Directors**

**Athens, 2021**

**Table of Updates & Approvals**

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## Preamble

TERNA ENERGY SA (hereinafter the "Company") is currently the leading company in its field in our country, while successfully continuing the effort to expand abroad. The Company, based on the expertise, the know-how and the dedication of its executives, is growing rapidly and is gaining a larger market share every day, contributing to the economic development of the country and offering secure jobs. At the same time, the Company, using and utilizing cutting-edge technologies, offers financially modern and optimal services to the citizens.

TERNA ENERGY SA currently is ready to respond to the challenges of the 21st century, to integrate new data in the energy market, to adapt to the new technological conditions, to contribute to the improvement of the environment and to offer better services focusing on humans.

The vision for sustainable development has a central position to its strategy. At the Company, we believe in the priority that green energy has for sustainable development. We believe that energy has great importance for our society, and we want to contribute to creating a sustainable energy future by increasing the use of Renewable Energy Sources (RES). TERNA ENERGY SA seeks to obtain a significant position in the whole range of the RES chain of projects, from development to energy production, having activity in a range of technologies, with a strong presence in Greece and internationally.

The priorities of the Company are the following:

- The significant increase of installed power.
- The strengthening of its leadership position in Greece and the strengthening of its international presence.
- Having activities in a wide range of technologies. Maintaining a leading position in the wind energy and expansion in hydroelectric, solar and biomass.
- Utilization of the Group's capabilities in the value chain of RES with the development of experience in the construction of submarine power transmission cable networks, energy storage with pump storage and battery packs.

The development of the Company and the new activities and initiatives it undertakes require: (a) a modern Internal Rules of Operation that will clearly describe the internal operating rules of the Company, as well as a detailed Manual of Procedures.

TERNA ENERGY SA applies, at the same time, a modern model of Corporate Governance according to international standards and best practices, with special emphasis on the transparency of financial management, considering the reliability as a basic condition for its maximization value of the business and consequently the value of the share.

The present Internal Rules of Operation describes the basic principles according to which the Company is organized, operating and managed. The provisions of the Company's Articles of Association have been taken into account, the regulatory framework of the principles of the Hellenic Corporate Governance Code issued by the HCGC and adopted by the Company, the principles of Corporate Governance, the decisions of the Hellenic Capital Market Commission, special laws concerning companies listed on stock exchanges and other internal regulations, circulars and instructions, as in force today were taken into consideration for the drafting of this Internal Rules of Operation. It records the responsibilities, duties and obligations of each institutionalized body, as provided by the Company's Articles of Association and the current legislation or as it has been established by a decision of the competent body of the Company.

The organizational structure of the Company as shown on the Organizational Chart approved by the decision of the Board of Directors has been taken into consideration for the drafting of the Internal Rules of Operation.

The Company's strategy was taken into consideration for its structure development, i.e. maintaining the dominant position of the Group, for the Company and its subsidiaries in its field, further development mainly through new activities and expansion of the Group in new geographical areas and abroad.

The Internal Rules of Operation is applied by the members of the Board of Directors, the members of the Committees, the Chief Executive Officer, the Managers, the employees of the Company, who have a dependent employment contract, as well as the partner of the Company, who provide their services on the basis of a contract for the provision of independent services. Provided that any of the above persons have not been explicitly excluded, all of the above are considered by the Internal Rules of Operation as Obligated Persons. The Internal of Operation is applied proportionally to all the subsidiaries of TERNA ENERGY SA, except for the important subsidiaries that have their own internal Rules of Operation in accordance with the requirements of Law 4706/2020.

The present Internal Rules of Operation was approved and entered into force by virtue of decision XX/07/2021 of the Board of Directors of the Company, which is responsible for reviewing and updating it when required.

A summary of the Internal Rules of Operation is published on the Company's website ([www.terna-energy.com](http://www.terna-energy.com)).

## CHAPTER I: ORGANIZATIONAL STRUCTURE

The Organizational Structure of the Company is designed taking into account its operational needs, as well as the principles of "segregation of duties", in order to ensure good operation, according to its size and in compliance with respective legislative and regulatory requirements.

The Company is organized in General Divisions and Divisions, which are in charge of distinct responsibilities and specific activities. The number, subject and responsibilities of the General Divisions and Divisions are determined or modified by a decision of the Board of Directors, with a corresponding amendment of the Charter, in accordance with the applicable laws and the Company's Articles of Association. The provisions of the Internal Rules of Operation also define and describe the basic responsibilities and duties of the Obligated Persons under each General Division / Division of the current Organization Chart.

### 1. GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders of the Company is the supreme body that decides on every case concerning the Company. Its legal decisions are always binding.

The General Meeting of Shareholders is the only competent body to decide, among other, on:

- a) Extension of the duration, merger or dissolution of the Company, conversion, split, revival.
- b) Amendment of the articles of association.
- c) Issuance of a loan by bonds of any form other than a common bond loan.
- d) Election of members of the Board of Directors.
- e) Election of auditors.
- f) Appointment of liquidators.
- g) Distribution of annual profits.
- h) Approval of the annual accounts (annual financial statements) and release of the members of the Board of Directors and the Auditors from any responsibility.

### 2. GENERAL ORGANIZATIONAL STRUCTURE

The Organizational Structure of the Company at the level of General Divisions / Divisions is presented in the figure that follows. In each segment or segments of the market, where the Company or a subsidiary of the Company is activated, through which the statutory purpose of TERNA ENERGY SA is implemented, there is an organizational unit that serves it. These organizational units operate as Profit Centers and constitute the Business Units of the Company in Greece and abroad. The organizational units whose mission is the service and support of the Profit Centers and the Management, operate as Cost Centers and constitute the Central Units of the Company.

The organizational structure and operational organization of the Company must ensure adequate decentralization of decisions, in order to achieve the following:

- the implementation of the business objectives set by decisions of the Board of Directors,
- the speed and correctness of decisions making, as well as their effective implementation,
- the flexibility, adaptability and prompt response to market demands and pressures,
- the specialization and quality of services of each specific market segment,
- the initiative, the pursuit of innovations and the development of new markets,
- the clear distinction of roles and responsibilities, as well as the limits of responsibility,
- the full utilization and the best possible distribution of administrative responsibilities to the members



of the Board of Directors and Managers,

- ensuring the implementation of principles, rules, procedures and decisions and the control of the effectiveness of their implementation.

The decisions taken in the Company can be divided into two major categories: strategic and operational. Strategic decisions are those that concern the formulation of medium-term and medium-long-term strategy, setting of goals, methods and procedures, allocation of resources at Company level, their long-term commitment, methods of competition, the route of development, strategic alliances and general policies, effective implementation of internal and external control systems, in order to maximize the benefits for the Company. Operational decisions concern the implementation of strategic decisions.

Strategic decisions are not decentralized but remain with the Management of the Company.

Functional decisions are decentralized to the lowest hierarchical levels.

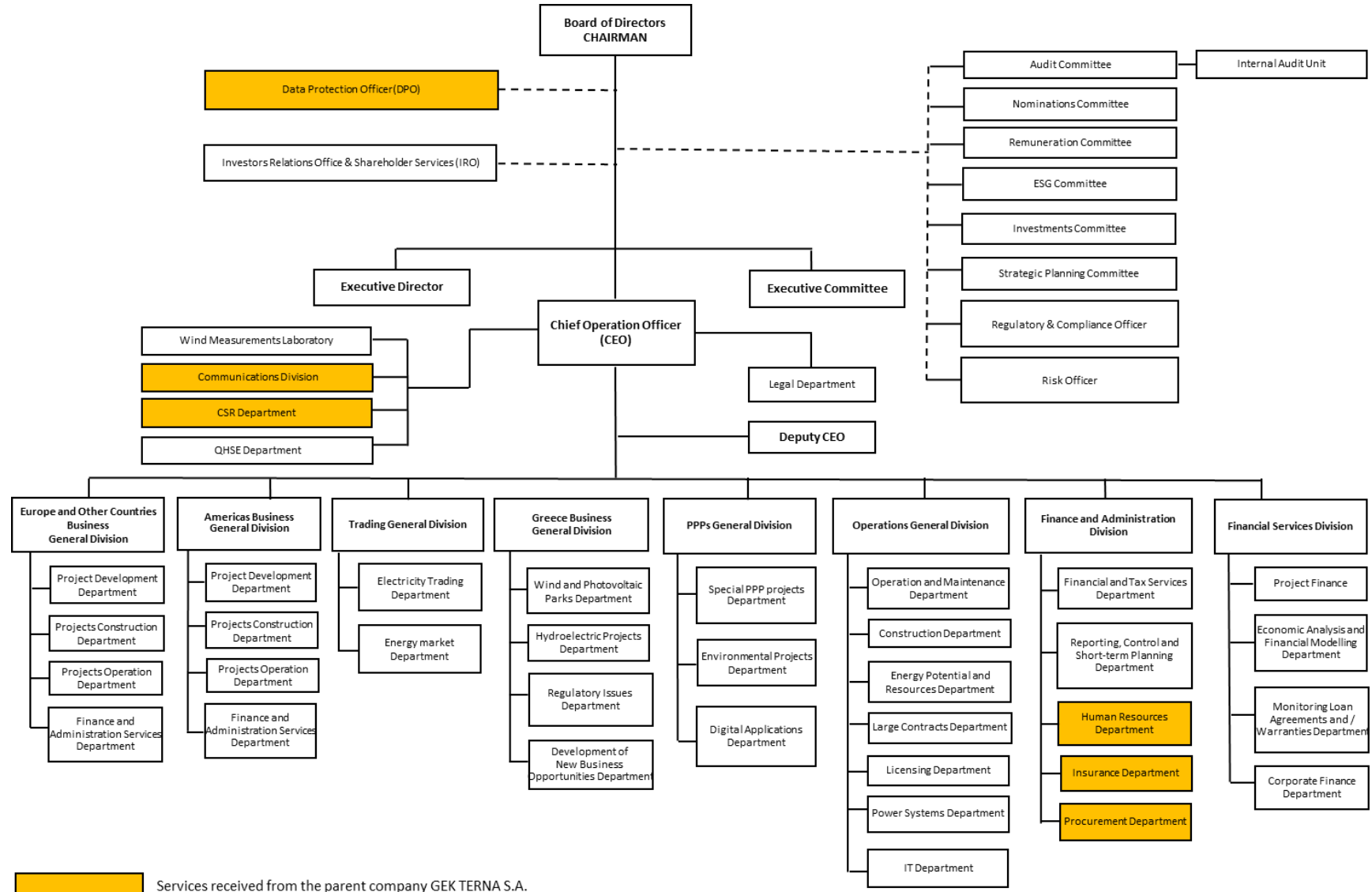
At the level of Management decisions are also taken regarding the approval of the basic sizes of the annual and long-term action plans of the various operational and central (executive and support) units.

The implementation of the decentralization of the Company requires the configuration of policies, action plans and budgets that will bind the Management and the heads of the organizational units, which compose the structure of the Company.

The basic philosophy of decentralization consists of the following:

- the assignment of specific administrative responsibilities to members of the Board of Directors, who already have executive responsibilities in the organization chart of the Company and to Executives,
- the weakening of the prudential bureaucratic controls of the actions and the strengthening of the audits of the results,
- the strengthening of the power and responsibility of the Executives.

The General Organizational Structure of the Company is presented in the following diagram.



## CHAPTER II: MANAGEMENT

The composition, the manner of convening and operation, as well as the activity of the Board of Directors of the Company and the responsibilities of its members are determined by the Company's Articles of Association, the Rules of Operation of the Board of Directors and the provisions of applicable law, to which it refers.

### 1. BOARD OF DIRECTORS

The general management of the Company belongs to the Board of Directors, which is responsible for deciding on any action concerning the Company's Management, having as a permanent basis the defense of the general corporate interest.

The Board of Directors, as a collective body, manages the Company and its affairs, taking the necessary decisions on all matters falling within its competence under the Company's Articles of Association, the decisions of the General Meeting and the relevant legislation. It is liable towards the General Meeting of Shareholders to secure their interests and for the overall efficiency and operation of the Company. It decides on all corporate matters, except those for which, based on the legal framework and the Articles of Association of the Company, the General Meeting of Shareholders is responsible to decide.

The operation and responsibilities of the Board of Directors are described in its Rules of Operation.

### 2. EXECUTIVE COMMITTEE

An Executive Committee may also be established by virtue of a decision of the Board of Directors, which assigns to it certain powers or duties of the Board of Directors. In this case, the composition, responsibilities, duties and way of decision-making of the Executive Committee, as well as any matter concerning its operation are regulated by the decision of the Board of Directors regarding its establishment.

Pursuant to a relevant decision of the Board of Directors, an Executive Committee was set up to which specific responsibilities were assigned. The operation and responsibilities of the Executive Committee are described in detail in its Rules of Operation.

### 3. COUNCILS AND COMMITTEES

The Board of Directors has the ability to establish collective bodies of temporary or permanent character, whenever it considers it necessary, to strengthen the organizational structure of the Company and to facilitate the achievement of its business objectives.

The Councils or Committees are advisory bodies of the Management and process issues that relate, among others, to the following:

- the processing of the strategies and general policies of the Company,
- the defining of the broad guidelines for the annual action plan,
- the preparation of suggestions to the Management to make important decisions,
- the information on the effectiveness of the Company's operation,
- the submission of proposals for the development policy and the necessary actions and steps to claim new projects and strategic communication with customers, partner companies, designers, suppliers, etc.
- the submission of proposals for the improvement of the organizational structure of the Company and of its subsidiaries,
- the proposal to establish criteria and rules for staff evaluation,
- the research regarding the development of new areas of activity.

Each collective body is a key link between the Management that sets goals and the executive mechanism that

is called to achieve them. The issues processed by each collective body are defined by decisions of the Board of Directors.

The main mission of each collective body is the proposal for the implementation of preventive and / or corrective measures for any important issue which the Company deals with, as well as the systematic communication, mutual information and team cooperation between the executives who constitute the top and senior Management of the Company.

### **3.1 AUDIT COMMITTEE**

The Audit Committee consists of at least three (3) members. The Audit Committee includes Non-Executive members of the Board of Directors or members elected by the General Meeting of the Company's shareholders. The members of the Audit Committee as a whole have sufficient knowledge in the field in which the Company operates and are in the majority Independent of the Company, within the meaning of the provisions of article 9 of law 4706/2020, as applicable. The Chairman of the Audit Committee is appointed by its members and is Independent. At least one member of the Audit Committee is a certified auditor in suspension or retired or has sufficient knowledge of auditing and accounting.

The Rules of Operation of the Audit Committee is posted on the Company's website and describes in detail the operation and responsibilities of the Committee.

### **3.2 NOMINATIONS COMMITTEE**

The Nominations Committee consists of at least three (3) non-executive members of the Board of Directors, in the majority independent. The independent-non-executive member of the Board is appointed Chairman of the Committee.

The Nominations Committee has Rules of Operation posted on the Company's website, that describe in detail the operation and responsibilities of the Committee.

### **3.3 REMUNERATION COMMITTEE**

The Committee consists of at least three (3) Non-Executive Members, who exercise sufficient and independent judgment over remuneration policies and practices. The majority of the Members of the Committee must be independent non-Executive Members of the Board.

The Remuneration Committee has Rules of Operation posted on the Company's website, that describe in detail the operation and responsibilities of the Committee.

### **3.4 INVESTMENT COMMITTEE**

The Investment Committee (I.C.) consists of at least four (4) members of the Board of Directors, up to two (2) executive and up to two (2) non-executive.

The main responsibilities of the Committee are, among others: ensuring that new investments are in line with the approved strategy of the Company or that they consist new decisions, which are approved by the Board of Directors, the general evaluation of the return on investments made, the examination of new investments and submission of relevant proposal to competent bodies of the Company / to the Board of Directors of the Company and the examination of specific divestments.

The Committee has Rules of Operation that describe in detail its operation and responsibilities.

### **3.5 ESG COMMITTEE**

The ESG Committee makes recommendations on the strategy, policy, objectives and programs related to Sustainable Development, Corporate Social Responsibility and Corporate Governance. It also collaborates with the Department of Corporate Social Responsibility & Sustainable Development of the Strategic Communication Department for the preparation and monitoring of the Sustainable Development policy

followed by the Company.

The Committee's objective includes monitoring the integration of non-financial factors into business strategy and decision-making, with the aim of keeping the company resilient and ready to manage changes in the environment in which it operates.

The Committee oversees, inter alia, the following: the implementation of the Sustainable Development Policy in all the activities of the Company, the implementation of the Employee Health & Safety Policy, the benefits of health to the employees, the assurance of a healthy and safe working environment, the training and the development of human resources, the preservation of jobs, the defense of human rights and the response of the Group to emergencies.

The Committee has Rules of Operation that describe in detail its operation and responsibilities.

## **CHAPTER III: General Divisions - Divisions**

### **1. OPERATIONS GENERAL DIVISION**

The Operations General Division coordinates, manages, controls and is responsible for the coordination and smooth operation of the Sectors that belong to it. Its Actions and consequently the actions of its Sectors are supportive to all the activities of the Company. The degree of this interaction is determined each time by the needs of the Project.

The Operations General Division has under its responsibility the Sectors: Operation and Maintenance, Construction, Energy Potential, Large Contracts, Licensing, Power Systems, Information Technology (IT) & Communications. The Operation and Maintenance Department is responsible for the orderly and smooth operation of the Company's facilities that fall within its area of responsibility. The Construction Department is responsible for the construction and / or construction management of Wind and Photovoltaic Parks in Greece. The Energy Potential Department has the responsibility of determining the necessary measurements based on the points determined by the competent Divisions of the Company, as well as the creation of energy potential studies based on the data resulting from the performed measurements. The Procurement Department is responsible for budgeting the cost of key equipment during the development / tender stage of each Project, the execution of key large supplies for the Company such as wind turbines, photovoltaics, cogeneration units, special technological equipment, etc. and the Economic and Technical evaluation of the offers in collaboration with the respective General Division. The Licensing Department is responsible for the initial issuance and timely renewal of all licenses necessary for the development, construction and operation of all Company facilities in Greece. The Power Systems Department is responsible for the preparation, review and approval of the studies required for the construction of the substations integrated in the Company's projects. Prepares the technical specifications and assists in the evaluation of the suppliers / subcontractors under their responsibility as well as their bids. Collaborates with the General Divisions - Construction Sector, for all works related to the installation and connection of the substation. The Information Technology (IT) & Communications Department is responsible for coordinating the Company's IT and telecommunications technology activities, either at headquarters, on construction sites or in any other area of the Company and in relation to the other companies of the Group.

### **2. GREECE BUSINESS GENERAL DIVISION**

The Greece Business General Division coordinates, controls and manages all the Wind / Photovoltaic Parks and Hydroelectric Works, in which the Company participates, independently or through joint ventures / partnerships, etc., in the said geographical area, utilizing to the maximum possible extent the human resources, equipment, expertise, experience and reputation of the Company.

It has under its responsibility the following Sectors: Wind and Photovoltaic Parks, Hydroelectric Works, Regulatory Issues and Development of New Opportunities.

### **3. TRADING GENERAL DIVISION**

The trading General Division coordinates, controls and manages the Electricity Trading and Energy Market sectors.

### **4. AMERICAS BUSINESS GENERAL DIVISION**

The Americas Business General Division coordinates, controls and manages all the operations

in which the Company participates, independently or through joint ventures, in this geographical area, utilizing as much as possible the human resources, equipment, expertise, experience and the reputation of the Company.

It is responsible for the design / development, construction and operation of all the projects of the Company as well as of any other activity carried out by the Company in this geographical area.

It has under its responsibility the Sectors: Development, Construction, Operation and Financial and Administrative Services.

## **5. EUROPE AND OTHER COUNTRIES GENERAL DIVISION**

The Europe and Other Countries General Division coordinates, controls and manages all the operations in which the Company participates, independently or through joint ventures, in this geographical area, utilizing as much as possible the human resources, equipment, expertise, the experience and reputation of the Company.

It is responsible for the design / development, construction and operation of all the projects of the Company as well as any other activity carried out by the Company in this geographical area.

It has under its responsibility the Sectors: Development, Construction, Operation and Financial and Administrative Services.

## **6. PPPs GENERAL DIVISION**

The PPPs General Division is responsible for the development of new PPP projects and / or concessions, as well as for the full monitoring of the existing ones, from the licensing stage to the operation stage. In order to achieve its goals, it collaborates with the central technical, administrative and financial services/ operations of the Company, where required. The General Division of Concessions consists of the following Sectors: A. Sector of Environmental Projects B. Sector of Special Concessions and C. Sector of Digital Applications.

## **7. FINANCE AND ADMINISTRATION DIVISION**

The Division is responsible for the collection, accounting and control of the financial data of the Company and its subsidiaries, the tasks of the company's accounting department, as provided by the Code of Books and Records, the IFRS and the Greek General Chart of Accounts. It is also responsible for the preparation and publication of interim and annual, financial statements, stand alone and consolidated, in accordance with IFRS, the compliance with all tax obligations of the Company, so that the Company is clear from any tax obligation.

## **8. FINANCIAL SERVICES DIVISION**

The Division manages issues regarding the financing of the development activities of the Company, securing the necessary financial resources for its investment program and manages issues of loans and cash management.

## **CHAPTER IV: INDEPENDENT SERVICES - DEPARTMENTS**

### **1. INTERNAL AUDIT UNIT**

The Internal Audit Unit has an independent, objective, assurance, auditing and consulting activity that aims at adding value to the Company by improving corporate operations and processes.

The Internal Audit Unit supports the company in achieving its goals, applying a systematic and prudent approach to evaluating and improving the effectiveness of risk management processes, internal control systems and Corporate Governance.

The Head of the Internal Audit Unit is appointed by the Board of Directors upon the recommendation of the Audit Committee. The responsibilities of the Internal Audit Unit are defined in its Rules of Operation which is approved by the Board of Directors. The Internal Audit Unit reports to the Audit Committee. The Company is obliged to inform the Hellenic Capital Market Commission of any change of the Head of the Internal Audit Unit.

### **2. LEGAL DEPARTMENT**

The Legal Department is responsible for the prevention and resolution of legal issues that arise during the exercise of the Company's activities. It provides consulting support to the Management and the heads of the organizational units. Its character is both executive and supportive. The Legal Department has advisory authority regarding the legislative-regulatory framework of the Company's operations and has executive authority regarding specific issues of legal nature, which is responsible to handle. The Company has a Legal Department consisting of internal and external partners.

The cooperation with external law offices, law firms, notary offices regarding the handling of individual issues of the Company or of the projects is approved by the Chief Executive Officer or Executive Officer, who has been assigned the relevant competence, following a relevant recommendation by the Chief Executive Officer and of the legal advisor of the company, who are responsible for drafting the relevant agreement for such cooperation.

### **3. REGULATORY & COMPLIANCE OFFICER**

The role of the Regulatory & Compliance Officer is to ensure the Company's compliance with the current legislative and regulatory framework, which governs its business activities and operation. The Regulatory Compliance Officer protects the integrity and reputation of the Company through the creation and implementation of a complete compliance program, which includes prevention, repression and response measures regarding compliance issues.

The Regulatory Compliance Officer has an operational line of reference to the Board of Directors (hereinafter the "BoD"), while administratively it reports to the Chief Executive Officer.

The responsibilities of the Regulatory Compliance Officer include prevention, suppression/detection and response actions, among which are the following:

1. Configuration and establishment of a corporate culture of regulatory compliance.
2. Determining the current legislative and regulatory framework and monitoring its amendments, with the assistance of the Legal Department.
3. Ensuring effective implementation of compliance policies and procedures.
4. Analysis of discrepancies and development of action plans in relation to legislative and



regulatory requirements.

5. Assessment of regulatory compliance risks.
6. Submission of proposals for the design and adoption of controls to reduce the risk of regulatory compliance.
7. Development and implementation of an annual regulatory compliance plan and submission for approval to the BoD through the Audit Committee.
8. Continuous information and training of employees on compliance issues.

The Company has developed and maintains a Compliance Management System in accordance with the ISO 19600 Standard.

The above Management System of the Company has been certified by an independent certification body, according to the current version of each standard.

The Regulatory Compliance Officer takes care of the study, implementation, control and updating of the above Management System, in order to optimize the way of organization and operation of the whole Company, with planned and systematic actions and controls or procedures that have already been fully approved regarding the proper, safe, efficient, corporate responsibility and legal operation of the Company.

#### **4. RISK OFFICER**

The role of the Risk Officer is to identify, evaluate and manage the risks faced by the Company.

The Risk Officer ensures that the risks undertaken by the Company's units are in line with the risk appetite and the tolerance limits set and formulated by the management.

The Risk Officer has a functional line of reference to the Board of Directors (hereinafter "the Board of Directors"), while administratively it reports to the CEO.

The responsibilities of the Risk Officer include the risk management framework, risk management and reporting. They include, among them, the following:

1. Formulation of the risk management strategy.
2. Development of methodologies for identification, recording, evaluation, monitoring and management of risks.
3. Categorization of risks, in order to monitor them more effectively.
4. Maintaining an up-to-date risk register.
5. Inherent risk assessment.
6. Evaluation of the adequacy and effectiveness of the safeguards (controls) adopted and implemented by the Company.
7. Residual risk assessment.
8. Development of plans for dealing with residual risks (acceptance, transfer, strengthening of existing checkpoints for further reduction / mitigation).
9. Preparation and submission of regular reports to the Management.
10. Informing the Board of Directors about significant risks and highlighting points that require action.

## 5. QUALITY - HEALTH & SAFETY - ENVIRONMENT DEPARTMENT

The Company has developed and maintains:

- Quality Management System, according to the ISO 9001 standard
- Occupational Health and Safety System, according to the ISO 45001 standard
- Environmental Management System, according to the ISO 14001 standard
- Energy Management System, according to the ISO 50001 standard
- Information Security Management System, according to the ISO 27001 standard
- Management System for Anti - Corruption, according to the ISO 37001 standard

The above Management Systems of the Company are certified by an independent certification body, according to the current version of each standard.

The QHSE Department takes care of the study, implementation, compliance control and updating of the above Management Systems in order to optimize the way of organization and operation of the whole Company, with planned and systematic actions and controls or procedures that have already been fully regarding the proper, safe, efficient, corporate responsibility and legal operation of the Company.

## 6. DATA PROTECTION OFFICER

The Company has appointed a Data Protection Officer (DPO). The Data Protection Officer facilitates the compliance of the controller and the processor with the provisions of the General Data Protection Regulation (GDPR) and mediates between the various stakeholders (eg supervising Authorities, data subjects).

Its role is non-executive and it does not bear personal responsibility for non-compliance with the General Data Protection Regulation (GDPR).

The Data Protection Officer is responsible for ensuring and being able to prove that the processing is carried out in accordance with the General Data Protection Regulation (GDPR).

In providing its services, the Data Protection Officer has complete independence in providing advice and suggestions.

The Data Protection Officer reports directly to the Board of Directors of the Company.

The Data Protection Officer has the responsibilities of the relevant legislation. His responsibilities include:

1. Informing the Management of the Company and its executives of any legislative and regulatory developments on personal data protection issues.
2. Advising the Company on its obligations arising from GDPR.
3. Regularly training the Company's staff on requirements and personal data protection measures.
4. Monitoring the Company's compliance with the GDPR and other applicable provisions.
5. Indicating cases where an impact assessment is required and participating in the performance of the impact assessment.
6. Working together and collaborating with the Personal Data Department of the GEK

TERNA Group.

7. Being the point of contact of the Data Protection Authority (DPA) and any other competent supervisory authority.

## **7. WIND MEASUREMENTS LABORATORY**

The Wind Measurements Laboratory performs wind measurements on behalf of the Company and third parties throughout Greece at potential wind farm development sites, with the ultimate goal of evaluating the sites and conducting a Test-Measurement Report for the wind farm installation decision. The Laboratory conducts tests based on the requirements of the ELOT EN ISO / IEC 17025 Standard, the needs of its clients, the existing legislative and regulatory framework, the requirements of the organizations that provide recognition, as well as the requirements of the relevant methods. The Laboratory is organized to ensure that its management and staff are free from any internal and external commercial, financial and other pressures and from influence that could adversely affect the quality of its work and is committed to independence and impartiality. The Laboratory conducts exclusively Wind Testing and the Quality System covers all its activities and has a certificate with No. 336 (19 March 2007) has been granted to it by the National Accreditation System.

## **8. COMMUNICATIONS DIVISION**

The responsibility of the Directorate is to take care of the Public Relations of the Company and to be responsible for the communication and the contacts with the Media, the clients, partners, suppliers and shareholders.

## **9. CORPORATE SOCIAL RESPONSIBILITY DEPARTMENT (CSR)**

Corporate Social Responsibility is one of the most important sectors for the Company and aims at the balanced handling of the economic, social and environmental impact of its operation. CSR department of the Company is the coordinator of actions. For the fulfillment of its objectives a committee is formed on a case by case basis, which makes all relevant decisions, whose implementation is approved by the BoD or the Chairman or the Managing Directors or the Mandated or the Deputy Managing Director, depending on the financial size and the category of action. Also, each operating function of the Company can establish its own local Committee CSR, with the aim to draft and implement actions plans for local communities.

## **10. INVESTORS RELATIONS AND SHAREHOLDERS SERVICES OFFICE**

Investors Relations and Shareholders Services Office is responsible for the following:

- The development and maintenance of constructive relations with investment – financial bodies, who are interested for the activities and the life of the Group or / and of selected subsidiaries, aiming at the conclusion of partnerships – alliances of special financial purpose, wider strategic or / and investment character, in close cooperation with the Management of the Company.
- Excellent services and constant communication with investors-shareholders of the Company by providing or appropriate information and support to their related needs.
- Company Compliance to the provisions of Corporate Governance Principles regarding Investors Relations and Shareholders Services Office and the Corporate Announcements Department, in cooperation with the organizing units which provide related information and support, such as the Finance Directorate for the provision of financial information and reports.
- Timely collection and publication of the financial Statements of the Group.
- Keeping of the Shareholders Book and communication with the competent offices of the Stock Exchange for all issues related to it.

- Developing of relationships and of climate of trust with the existing shareholders, prospective investors and investing community in general.
- Preparation of corporate announcements, stock exchange announcements and press releases related to Company's actions.
- Organising roadshows, conference and meeting with investors.
- Informing management and project leaders regarding the understanding of investors community against specific projects or activity.

Investors Relations and Shareholders Services Office also includes Corporate Announcements Department, which notifies public information through ATHEX, in order for such information to be published in the ATHEX daily price bulletin. Such information refers to facts which when published it is anticipated that they will influence the share price of the Company.

## **CHAPTER V: CODES, POLICIES AND PROCEDURES**

### **1. CODE OF CORPORATE GOVERNANCE**

The Company has adopted and applies the Hellenic Corporate Governance Code (HCGC) of the Hellenic Corporate Governance Council (HCGC). The HCGC is the basis for the application of an integrated corporate governance system and it is adjusted to the constantly changing conditions of the financial, social and business environment of the Company. HCGC is uploaded on the website of the Company ([www.terna-energy.com](http://www.terna-energy.com)).

### **2. CODE OF ETHICS**

The Code of Ethics of the Company includes the fundamental principles, rules and values, which formulate the framework of corporate activities and define our daily conduct and practice. Our basic principles, our beliefs, our corporate culture, business ethics and, mainly, our voluntary ethical commitments are a critical pillar of the Company in all its activities, which remains unchanged over times. The Code of Ethics reflects and strengthens these fundamental principles and creates an agreed and transparent operating and conduct framework, which should be respected by us as well as by our partners, our subcontractors and our suppliers. The Code always reminds every one of the Company people of understanding the environment, in which he should be incorporated and the general corporate cooperating culture with the Company he should develop.

The Code of Ethics of the Company together with the rules of corporate governance and the policies, which apply, define the framework of its business operation. The contents of the Code is in compliance with the general principles which are provided for by International Regulations and Contracts, as well as by the international standard ISO 9001, ISO14001, ISO 45001, ISO 19600, ISO 37001, ISO 27001, ISO 50001 and SA 8000.

The conscious acceptance and application of the Code of Ethics applies over time and ensures the creation of a working environment which is based on the value system, which improves the mutual trust, transparency, cooperation, recognition, integrity, equal opportunities and improvement incentives which distinguishes the skills and the personality characteristics of each individual, contributes in the overcoming of personal and interpersonal difficulties, promotes innovation of thoughts and actions based on the achievement until today and finally it creates a sense of security and meritocracy for all the employees in a modern environment.

### 3. POLICIES & PROCEDURES

#### 3.1 Table of Policies and Procedures

| AA | Object of Policy/ Procedure  |
|----|--|
| 1  | Procedure for the recruitment / selection of executives  |
| 2  | Procedure for the assessment of the performance of executives  |
| 3  | Procedure of compliance to the rules regarding the handling of inside information (compliance of the members of the BoD, of executives and of individuals having close relationships with them to the obligations provided by article 19 of Regulation EU 596/2014, as well as of the Company to Regulation (EU) 596/2014) |
| 4  | Procedure for ensuring the independence of the members of the Board of Directors and re-evaluation of the conditions of independence   |
| 5  | Procedure of recognition of transactions with affiliated parties and compliance with the applicable legislation  |
| 6  | Policy for the prevention and handling of conflict of interest situations  |
| 7  | Due diligence procedure (it includes the procedure for the prevention and handling of conflict of interest situations)   |
| 8  | Regulatory Compliance & Corruption and Anti-Bribery Control Policy   |
| 9  | Manual of Regulatory Compliance Procedures   |
| 10 | Policy for the periodic evaluation of Internal Control System  |
| 11 | Procedure for the periodic evaluation of the Internal Control System   |
| 12 | Procedure for the training of members of the Board of Directors & executives   |
| 13 | Sustainability Policy  |

##### 3.1.1 Procedure for the recruitment / selection of executives

The Company has a procedure for the hiring of executives, which aims as the meritocratic, transparent and documented selection of the suitable candidates who will staff the Company based on their academic and professional qualifications and their abilities / skills.

The above procedure is applicable to all the Company executives. It is applicable whenever a vacancy comes up.

##### 3.1.2 Procedure of assessment of the performance of Executives

The present procedure aims at the recording of the actions which should be made in the course of

assessing the performance of the Company executives.

### **3.1.3 Procedure of compliance to the rules regarding the handling of inside information (compliance of the members of the BoD, of executives and of individuals having close relationships with them to the obligations provided by article 19 of Regulation EU 596/2014, as well as of the Company to Regulation (EU) 596/2014)**

The Procedure aims at recording the necessary actions in order for the required actions towards the competent authorities, as well as towards the Company and the investing public to be made, as provided for by the Regulation for Market Abuse.

### **3.1.4 Procedure for ensuring the independence of the members of the Board of Directors and re-evaluation of the conditions of independence**

The purpose of the procedure is to ensure the compliance of the Company with the current legislative and regulatory framework and in particular to confirm and ensure the following:

- That the independent non-executive members of the Board of Directors (BoD) satisfy the conditions of independence at the time of undertaking their duties and that they will continue to satisfy such conditions during their term of office,
- That the control of the fulfilment of independence conditions by the above BoD members can be carried out on a regular basis

### **3.1.5 Procedure of recognition of transactions with affiliated parties and compliance with the applicable legislation**

The procedure was drafted in the framework of the transparency and supervision of the Company transactions with affiliated parties. More specifically, it relates to the supervision on transactions with affiliated parties in the framework of the Company's compliance with the provisions of the applicable legislative and supervisory framework, which sets the criteria, which the Company is obliged to apply in order for such transactions to be legal.

### **3.1.6 Policy for the prevention and handling conflict of interest situations**

The present Policy aims at defining the basic principles which should be followed by all Company staff regarding conflict of interest issues which affect or may affect the interest of the Company and of its affiliated companies, as well as of its clients, suppliers and partners.

### **3.1.7 Due diligence procedure (it includes the procedure for the prevention and handling of conflict of interest situations)**

This Procedure describes the due diligence actions which are made by the Company regarding the following:

- Cooperation with important partners
- Participation in important projects and investments
- Carrying out of transactions
- Selection and management of personnel.

### **3.1.8 Regulatory Compliance & Corruption and Anti-Bribery Control Policy**

The present Policy aims at defining the basic principles which should be followed by all Company staff in relation to regulatory compliance issues, corruption and bribery.

### **3.1.9 Manual of Regulatory Compliance procedures**

In the framework of the role of the Head of Regulatory Compliance the Company, having evaluated the complexity and the nature of its activities, adopts the manual of regulatory compliance procedures.

The manual describes the basic operations and internal procedures, which are applied by the Regulatory Compliance Unit, in order to ensure the timely and constant compliance of the Company to the valid legislative and regulatory framework, as well as to its internal document and the supervision of the degree of achievement of this goal.

### **3.1.10 Policy for the periodic evaluation of Internal Control System**

The Company has adopted and applies Policy of evaluation of its Internal Control System (ICS), according to the legislative and regulatory requirements, as they are recorded in Law 4706/2020 and in the Decision of the Hellenic Capital Market Commission (HCMC) 1/891/30.9.2020.

The aim of the Policy is the periodic evaluation of the ICS of the Company so that it is constantly improved.

The competent Unit for the development and the update of the Policy is the Internal Audit Unit (IAU).

### **3.1.11 Procedure for the periodic evaluation of the Internal Control System**

According to the legislative and regulatory framework, it is required that the evaluation of the internal Control System is performed either periodically (every three years) or on a case by case basis (following a decision of the HCMC) by an external evaluator.

The aim of the Procedure is to define the required actions in order to perform the periodic evaluation of the ICS and to ensure the compliance of the Company with the applicable legislative and regulatory framework and good practices.

### **3.1.12 Procedure for the training of members of the Board of Directors & executives**

The aim of the Policy is to present the basic steps of the training system of the Company, mainly in relation to the planning and implementation of the training of the members of the BoD and of the executives. More specifically the training policy defines:

- A. The update of the new members of the BoD and new executives of the Company, emphasizing on issues of corporate culture, values and general strategy of the Company, before they undertake their duties through appropriate programs and introductory information meetings.
- B. The constant professional training of the existing members of the BoD and of the existing executives of the Company.

The aim of the training system of the Company, either for members of the BoD, or for executives, existing or new, is to obtain comprehensive knowledge of the operation of the Company, the clear understanding of the organizational structure, of the business model, the risk profile, of the financial and regulatory improvements in the sector of its activities on an international and national level and the improvement of the skills and institutional knowledge for the effective exercise of their duties on a constant basis and on a case by case basis, in the framework of corporate governance.

### **3.1.13 Sustainability Policy**

The approach of the Group regarding Sustainability is based on the dialogue with interested parties, as well as on the recognition of the regular evaluation of the important financial, social and environmental influences of its activities. It aims at the enhancement of the positive influences and t the limitation of the negatives ones, through best practices, sustainable initiatives and reliable partnerships, looking forward to the constant improvement in favor of the shareholders, of the investors, of the employees and of the society.

The competent unit for the development and update of the present policy is the Directorate of Strategic Communication, Press office, CSR and Sustainable Growth.



