

# INTERNAL RULES OF OPERATION

September 2022

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

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## ΠΙΝΑΚΑΣ ΠΕΡΙΕΧΟΜΕΝΩΝ

<b>INTRODUCTION</b>	<b>6</b>
<b>CHAPTER I: ORGANISATIONAL STRUCTURE</b>	<b>8</b>
1. GENERAL MEETING OF SHAREHOLDERS	8
2. GENERAL ORGANIZATIONAL STRUCTURE	8
<b>CHAPTER II: ADMINISTRATION</b>	<b>11</b>
1. BOARD OF DIRECTORS	11
2. DIRECTORS & MANDATED CONSULTANTS	11
3. EXECUTIVE COMMITTEE	12
4. COUNCILS AND COMMITTEES	13
4.1 AUDITING COMMITTEE	14
4.2 NOMINATIONS COMMITTEE	14
4.3 REMUNERATION COMMITTEE	14
4.4 INVESTMENT COMMITTEE	14
4.5 ESG COMMITTEE	14
4.6 STRATEGIC PLANNING COMMITTEE	15
<b>CHAPTER III: GENERAL DIVISIONS - DIVISIONS</b>	<b>16</b>
1. BUSINESS GENERAL DIVISION	16
2. BUSINESS DEVELOPMENT GENERAL DIVISION	17
3. ENERGY TRADING GENERAL DIVISION	17
4. AMERICAS BUSINESS GENERAL DIVISION	18
5. EUROPE AND OTHER COUNTRIES GENERAL DIVISION	18
6. PPP GENERAL BUSINESS DIVISION	19
7. FINANCE AND ADMINISTRATION GENERAL DIVISION	19
8. FINANCIAL PLANNING DIVISION	20
<b>CHAPTER IV : INDEPENDENT SERVICES – UNITS</b>	<b>21</b>
1. INTERNAL AUDIT UNIT	21
2. LEGAL SERVICE	21
3. COMPLIANCE OFFICER	21
3 <sup>A</sup> . COMPLIANCE COMMITTEE	22
4. RISK OFFICER	23
5. QUALITY – HEALTH AND SAFETY – ENVIRONMENTAL & STANDARDS DIVISION	23
6. DATA PROTECTION OFFICER	24
7. WIND MEASUREMENTS LABORATORY	24
8. DEPARTMENT OF COMMUNICATIONS	25
9. CORPORATE SOCIAL RESPONSIBILITY DEPARTMENT (CSR)	25
10. INVESTOR RELATIONS AND SHAREHOLDERS SERVICES OFFICE	25

**CHAPTER V: CODES, POLICIES AND PROCEDURES****26****1. CORPORATE GOVERNANCE CODE****26****2. CODE OF CONDUCT AND ETHICS****26****3. POLICIES AND PROCEDURES****27****3.1 TABLE OF POLICIES AND PROCEDURES****27**

## INTRODUCTION

TERNA ENERGY S.A (the “Company”) is the leading Company in its sector in Greece, while at the same time it continues successfully the growth effort abroad. Based on the technical capability, the know-how and devotion of the personnel, TERNA ENERGY is growing rapidly gaining larger share of the market day by day, contributing to the national economic development and providing safe working environment. At the same time TERNA ENERGY is utilizing state of the art technology providing optimum services to the people.

TERNA ENERGY is ready to respond to the 21<sup>st</sup> century challenges, to incorporate the new standards at the energy market, to adopt to the new technology, to contribute to the environmental improvement and provide better services.

The vision for sustainable growth is fundamental for its strategy. We all believe that green energy takes precedence in the sustainable growth. We believe that energy is crucial for the society and we want to contribute to a sustainable energy future by increasing the use of Renewable Energy Sources. TERNA ENERGY is seeking to have a key role in the RES chain, from the development stage to the green energy production, technologically diversified, with strong presence in Greece and worldwide.

Our priorities:

- Significant increase in installed capacity.
- Strengthen our leading role in Greece and reinforce our international presence.
- Development in a wide range of technologies. Maintaining a leading position in wind energy and expansion in hydropower, solar and biomass.
- Utilization of the Group's capabilities in the RES value chain by developing experience in the construction of networks of submarine power transmission cables, energy storage with pumped storage and battery packs.

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

TERNA ENERGY S.A. implements, at the same time, a modern Corporate Governance model in accordance with international standards and best practices, placing particular emphasis on the transparency of financial management, considering reliability as a basic prerequisite for maximizing the value of the business and thus the value of the share.

This Internal Rules of Operation describes the basic principles by which the Company is organized, operates and managed. For its drafting, 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 with securities listed on stock exchanges and other internal regulations, circulars and directives, as currently in force. It records the responsibilities, duties and obligations of each statutory body, which is provided for by the Company's Articles of Association and the applicable legislation or has been established by decision of the competent body of the Company.

For the formation of the Internal Rules of Operation, the organizational structure of the Company is taken into account, as it is depicted in the Organization Chart approved by decision of the Board of Directors. Also, for the company's structure, its strategy was taken into account, namely, the maintenance of the leading position of the Group, i.e. the Company and its subsidiaries in its field, the further development mainly through new activities and the expansion of the Group in new geographical areas abroad.

The Internal Rules of Operation is applied by the members of the Board of Directors, the members of the Committees, the Managing Director, the Executives, the employees of the Company who are connected by an employment relationship, as well as the associates of the Company who provide their services under a contract for the provision of independent services. If one of the above persons has not been explicitly excluded, all the above are considered by the Internal Rules of Operation as Obligated Persons. The Internal Rules of Operation shall be applied proportionally and to all subsidiaries of TERNAL ENERGY S.A., except for the significant subsidiaries that have their own internal regulation of operation in accordance with the requirements of Law 4706/2020.

The present Internal Rules of Operation was approved and entered into force by the decision of the Board of Directors of the Company dated 16/07/2021, which is responsible to review and update it when required.

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

## **CHAPTER I: ORGANISATIONAL STRUCTURE**

### **CHAPTER I: ORGANISATIONAL STRUCTURE**

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

The Company is organized into General Divisions and Divisions, which are charged with distinct responsibilities and a specific scope of activities. The number, object and responsibilities of the General Divisions and Divisions are determined or amended by decision of the Board of Directors, with a corresponding amendment of the Regulation, in accordance with the current laws in force and the Company's Articles of Association. The provisions of the Internal Regulation 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 the Company's shareholders is its supreme body that decides on any case concerning the Company. Its legal decisions are always binding.

The General Assembly is the only one competent to decide, among other things, on:

- a) Extension of the duration, merger or dissolution of the Company, conversion, division, revival.
- b) Amendment of the articles of association.
- c) Issue of a bond loan for any other form than a common bond loan.
- d) Election of members of the Board of Directors
- (e) Election of auditors
- (f) Appointment of liquidators
- g) Allocation of annual profits
- h) Approval of the annual accounts (annual financial statements) and discharge of the members of the Board of Directors and the Auditors from any liability.

#### **2. GENERAL ORGANIZATIONAL STRUCTURE**

The Organizational Structure of the Company at the level of General Divisions / Divisions is presented in the graph below. In each segment or segments of the market, where the Company, or any of its subsidiaries operate, through which the statutory purpose of TERNA ENERGY S.A. is implemented, corresponds to an organizational unit that serves it. These organizational units operate as Profit Centers and constitute the Company's Business Units in Greece and abroad. The organizational units that have as their mission 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 set up of the Company must ensure sufficient decentralization of decisions in order to achieve:

- the implementation of the business objectives set by decisions of the Board of Directors,
- the speed and correctness of decisions and their effective implementation,
- flexibility, adaptability and responsiveness to market demands and pressures;
- the specialization and quality of service of each specific segment of the market,
- the initiative, the pursuit of innovations and the development of new markets;
- a clear division of roles and responsibilities as well as limits of responsibility;
- the full utilization and the best possible distribution of administrative responsibilities to the members of the Board of Directors and the Executives,
- to ensure the application of principles, rules, procedures and decisions and to monitor the effectiveness of their application.

The decisions taken in the Company can be divided into two broad categories: strategic and operational. The strategic decisions are those concerning the formulation of a medium- and medium- to long-term strategy, the delimitation of objectives, methods and procedures, the allocation of resources at company level, their long-term commitment, the methods of competition, the course of development, the strategic alliances and the general policies, the 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 in the Company's Management. Operational decisions are decentralized up to the lowest hierarchical levels.

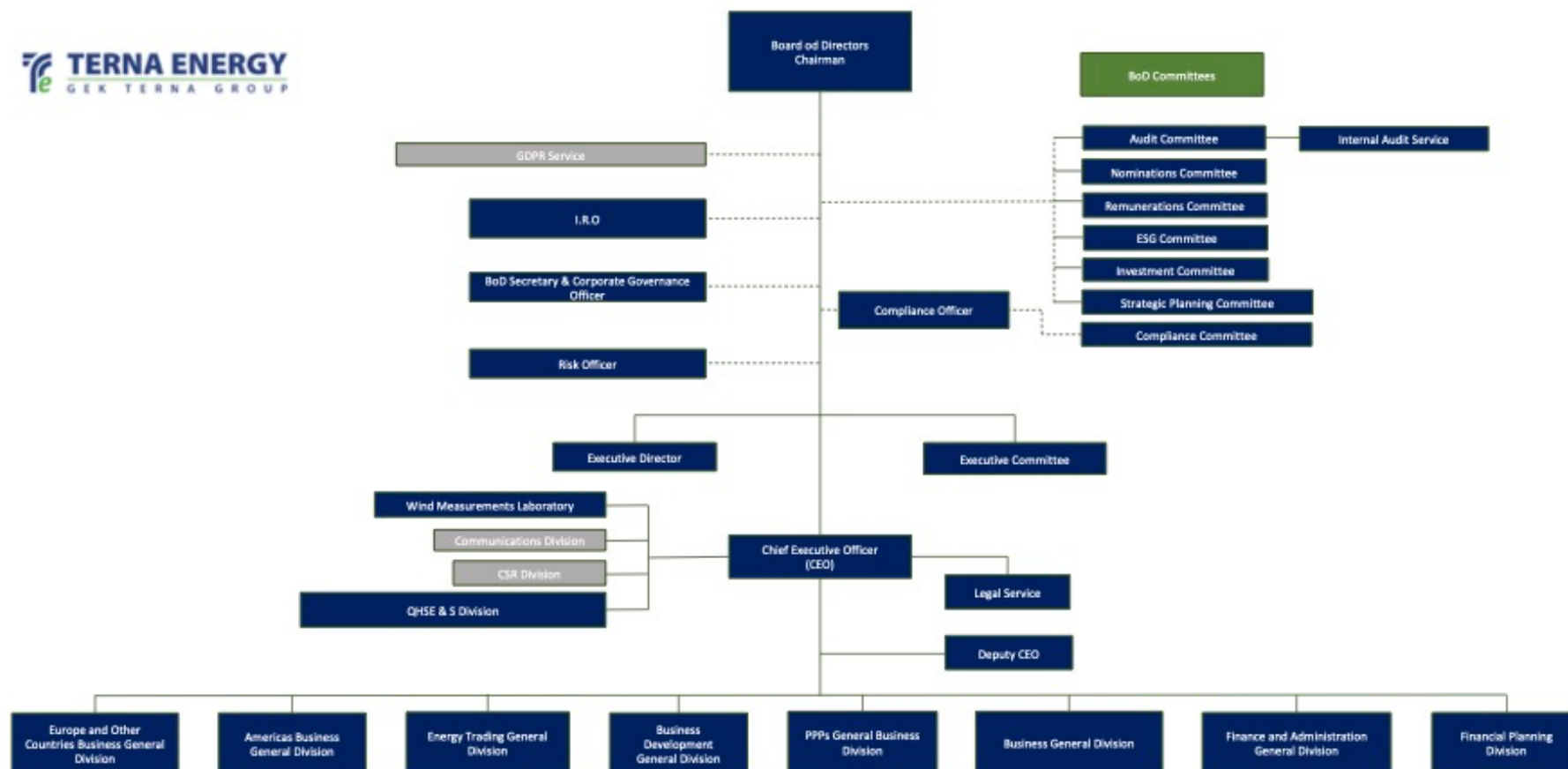
At the level of the Board of Directors, decisions are also taken regarding the approval of the basic parameters as well as the annual and long-term action plans of the various operational and central (executive and support) units.

The implementation of the Company's decentralization requires the formulation of policies, action and budget plans that will bind the Management and the heads of the organizational units.

The basic philosophy of decentralization consists of:

- the assignment of specific administrative responsibilities to members of the Board of Directors, who already have executive responsibilities in the Company's organizational chart and to Executives.
- the weakening of the preventive bureaucratic controls of the actions and the strengthening of the accounting controls of the results,
- the strengthening of the authority and responsibility of the Executives.

The General Organizational Structure of the Company is presented in the chart below.



## **CHAPTER II: ADMINISTRATION**

The composition, the way of convening and operation, as well as the activity of the Company's Board of Directors 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 the applicable Legislation.

### **1. BOARD of DIRECTORS**

The Board of Directors owns the general management of the Company's affairs and is responsible for deciding on any action concerning the Company's Management, having as a permanent basis the protection of the general corporate interest.

The Board of Directors, as a collective body, runs the Company and manages its affairs, taking the required 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, also, responsible to the General Meeting of Shareholders for the safeguarding of their interests and for the overall effectiveness and operation of the Company. In addition, it decides on all corporate affairs, except those for which, according to the legal framework and the Company's articles of association, the General Meeting of Shareholders is competent. Ensures that Top Management is assessed in relation to the achievement of regulatory compliance and anti-bribery objectives. It ensures that senior management is supervised over the functioning of the compliance and anti-bribery management system.

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

### **2. DIRECTORS & MANDATED CONSULTANTS**

#### **A. MANAGING DIRECTOR**

The Managing Director, within the framework of his/her administrative responsibilities and following a relevant decision of the Board of Directors, may assume, indicatively and not restrictively, any additional specific responsibilities assigned to him by the Board of Directors, such as:

- Coordinates the business & financial control of the Company and its subsidiaries.
- Draws up and takes care of the implementation of the Company's strategic planning.
- Recommends issues of the Company to the Board of Directors on which decisions should be taken.
- Is in constant communication with the Executives and is responsible for the management of corporate affairs, in accordance with the Articles of Association and the respective decisions of the Company's Board of Directors.
- Decides on the filling of the necessary positions for the needs of the Company, determines and approves the procedures for the evaluation and recruitment of staff, appoints non-executives to certain positions, evaluating each time with objective criteria the needs of the Company and in accordance with the prescribed procedures.
- Recommends the recruitment of executives of administration that is the responsibility of the Board of Directors.
- Recommends to the Board of Directors the remuneration policy, based on the annual budget and the expenditure plan.
- May authorize and assign part of the organizational and operational responsibilities provided by the Law and the Articles of Association to managers or other employees of the Company.

- Decides, during the process of bidding or developing new projects / activities, on the price of financial offers / financial model, upon recommendation of the "bidder" and the competent General Directors, as well as on the terms of cooperation in case of joint ventures with other companies.
- Determines the communication strategy and promotion of the Company's image against third parties.
- Defines the strategy and approves the Policies deriving from the European standards according to which the Company is Certified (ISO 9001 – ISO 27001 – ISO 14001 – ISO 45001 – ISO 50001 - ISO 37001 – ISO 37301), approving the required expenses for the achievement of these goals.
- May propose to the Board of Directors the assignment of all or part of the above responsibilities to another member of the Board of Directors
- Allocates adequate and appropriate resources to establish, develop, implement, evaluate, maintain and improve the regulatory compliance and anti-bribery management system
- Ensures that there is an effective mechanism for timely reporting on the performance of regulatory and anti-bribery compliance
- Ensures alignment between strategic and operational objectives and regulatory compliance and anti-bribery obligations
- Creates and maintains mechanisms of responsibility including disciplinary measures and consequences
- Ensures the integration of regulatory and anti-bribery compliance performance into staff performance assessments

## **B. DEPUTY MANAGING DIRECTOR**

The Deputy CEO is indicatively and not restrictively responsible for the following:

- Coordinates and delimits the way of cooperation between General Divisions, Divisions and Departments.
- Organizes all the necessary support services for the effective operation of the General Divisions/Divisions of the Company.
- Proposes issues of the Company, on which decisions should be taken.
- Is in constant communication with the General Managers and is responsible for the management of corporate affairs, in accordance with the responsibilities assigned to him.
- Approves expenditure in accordance with the limits presented in Annex II, as it has been formed according to the decisions of the Board of Directors.
- Ensures the proper staffing and promotes the evaluation and recruitment procedures of the staff, selects managers in certain positions, evaluating each time with objective criteria the needs of the Company and acts always in accordance with the prescribed procedures.
- Recommends the recruitment of executives which is responsibility of the Board of Directors.
- Participates in the preparation of the Company's budget and report.
- Participates in the goals setting and monitors their achievement.
- Recommends to the CEO the policy of remuneration, based on the annual budget and the expenses program.
- Contributes to the formation of the strategy of communication and promotion of the Company's image against third parties.

## **C. EXECUTIVE CONSULTANT**

The Executive Consultant, within the framework of his administrative responsibilities, following a relevant decision of the BoD, may assume any additional specific responsibilities assigned to him by the Board of Directors, aiming at the more flexible exercise of the Administration.

# **3. EXECUTIVE COMMITTEE**

By decision of the Board of Directors, an Executive Committee may also be established and certain duties of the Board of Directors may be delegated to it. In this case, the composition, the responsibilities, the duties and the way of taking the decisions as well as any matter concerning its operation, are regulated by the decision of the Board of Directors regarding its establishment.

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

#### **4. COUNCILS AND COMMITTEES**

The Board of Directors may establish collective bodies of a temporary or permanent nature, whenever it deems necessary, to strengthen the Organizational Structure of the Company and facilitate the achievement of its operational objectives.

The Councils or Committees are advisory bodies of the Administration and process issues concerning, among others:

- the elaboration of the Company's strategies and general policies,
- laying down the broad guidelines for the annual action program;
- the preparation of recommendations to the Management to assist the decision making
- informing about the effectiveness of the Company's operation,
- the submission of proposals for the development policy and the necessary actions for the claim of new projects and strategic communication with customers, cooperating companies, designers, suppliers, etc.
- the submission of proposals for the improvement of the organizational structure of the Company and its subsidiaries,
- the proposal to establish criteria and rules for the evaluation of staff;
- research for the development of new areas of activity.

Each collegiate body is a key link between the Administration that sets goals and the executive mechanism that is called upon to achieve them. The issues dealt with by each college are determined by decisions of the Board of Directors.

The basic mission of each collective body is to recommend taking preventive and / or corrective measures for any important issue faced by the Company, as well as the systematic communication, mutual information and group cooperation between the executives who constitute the top and highest Management level of the Company.

#### **4.1 AUDITING COMMITTEE**

The Auditing Committee consists of at least three (3) members. The Auditing 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 Auditing Committee as a whole have sufficient knowledge in the field in which the Company operates and are mostly Independent, within the meaning of the provisions of article 9 of Law 4706/2020, as applicable. The President of the Auditing Committee is appointed by its members and is Independent. At least one member of the Auditing Committee is a suspended certified auditor accountant or retired or has sufficient knowledge in auditing and accounting.

The Rules of Operation of the Auditing Committee is disclosed on the Company's website and describes in detail its role and responsibilities.

#### **4.2 NOMINATIONS COMMITTEE**

The Nominations Committee consists of at least three (3) non-executive members of the Board of Directors, the majority of whom are independent. The independent-non-executive member of the BoD is appointed as President of the Committee.

The Nominations Committee has its Rules of Operation, which is disclosed on the Company's website and describes in detail its role and responsibilities.

#### **4.3 REMUNERATION COMMITTEE**

The Remuneration Committee consists of at least three (3) non-Executive Members who will exercise adequate and independent judgment on remuneration policies and practices. The majority of the Members of the Committee must be independent non-Executive Members of the Board of Directors.

The Remuneration Committee has its Rules of Operation, which is disclosed on the Company's website and describes in detail its role and responsibilities.

#### **4.4 INVESTMENT COMMITTEE**

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

The main responsibilities of the Committee, among others, are:

ensuring that new investments are in line with the Company's approved strategy or that they constitute new decisions, which the Board of Directors approves, the general evaluation of the return on implemented investments, the examination of new investments and the submission of a relevant recommendation to the competent bodies of the Company / to the Company's Board of Directors and the examination of specific disinvestments.

The Commission has its Rules of Operation which describe in detail its role and responsibilities.

#### **4.5 ESG COMMITTEE**

The ESG Committee makes recommendations on 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 Division for the preparation and monitoring of the Sustainable Development policy followed by the Company.

The Commission's work 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 Commission as a whole monitor, inter alia, the following:

the implementation of the Sustainable Development Policy in all Company's activities, the implementation of the Occupational Health & Safety Policy, the health insurance benefits to employees, the assurance of a healthy and safe working environment, the training and development of human resources, the safeguarding of jobs, the protection of human rights and the Group's response to an emergency incident.

The Commission has its Rules of Operation which describes in detail its role and responsibilities.

#### **4.6 STRATEGIC PLANNING COMMITTEE**

The Strategic Planning Committee has five(5) members and includes members of the Company's Board of Directors. In addition, the members of the Strategic Planning Committee may invite other executives of the Company for special issues.

The Commission defines the new areas of development to be explored. The applicability of the proposed projects is the subject of the New Opportunities Division. In the event that any of the plans are positively evaluated by the Strategic Planning Committee (after a vote), it internally decides on the person who will present the business plan to the Investment Committee. If it deems positive, then a presentation is made to the Company's Board of Directors.

The Strategic Planning Committee meets with the Investment Committee at least three times a year, in order to coordinate and organize the necessary actions.

## **CHAPTER III: GENERAL DIVISIONS - DIVISIONS**

### **1. BUSINESS GENERAL DIVISION**

Business General Division coordinates, manages, controls and is responsible for the coordination and proper functioning of the departments belonging to it. Its action and consequently the action of its departments is supportive to all the activities of the Company. The degree of this interaction is determined each time by the needs of the project.

Business General Division is responsible for the following areas:

Operation and Maintenance, Construction, Energy Potential, Large Contracts, Permitting, Power Systems, Information & Communications (IT).

The Operation and Maintenance department is responsible for the smooth and unhindered operation of the Company's facilities that fall within its field of responsibility.

The Construction Sector is responsible for the construction and/or construction management of Renewable Energy Projects in Greece.

The Energy Potential department is responsible for determining the necessary measurements based on the points identified by the competent General Divisions of the Company, as well as the creation of energy potential studies based on the data resulting from the measurements carried out.

The Large Contracts department is responsible for the budget for the critical equipment during the development/tender stage of each project, the execution of large supplies which are crucial for the Company, such as wind turbines, photovoltaics, cogeneration units, special technological equipment, etc. and the Financial and Technical evaluation of the tenders in cooperation with the respective General Division.

The Permitting department is responsible for the initial issuance and timely renewal of all permits necessary for the development, construction and operation of all Company's facilities in Greece.

The Power Systems division is responsible for the preparation, review and approval of the studies required for the construction of the substations incorporated in the Company's projects. Prepares the technical specifications and assists in the evaluation of the suppliers/subcontractors under its responsibility as well as their tenders. It cooperates with the General Divisions – Construction division, for all works related to the installation and connection of the substation.

The department of Information & Communications (IT) is responsible for coordinating the Company's IT and telecommunications technology activities, either at the company's headquarters, on construction sites or in any other area of the Company's activity and in relation to the other companies of the Group.

Business General Division is responsible for the total compliance within its area of responsibility as follows:

- Collaborates and supports the regulatory compliance process and encourage staff to do the same
- Ensures that all staff within their control area comply with the Regulatory Compliance Obligations, policies, processes and procedures of the Organization
- Identifies and communicates regulatory compliance risks
- Integrates regulatory compliance obligations into existing business practices and processes



- Monitors and supports training activities on regulatory compliance
- Encourages staff to raise concerns about regulatory compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to regulatory compliance
- Ensures the implementation of the corrective actions that have been identified and decided.

## **2. BUSINESS DEVELOPMENT GENERAL DIVISION**

Business Development General Division is responsible for the development of all Renewable Energy Projects in which the Company participates, independently or through joint ventures/partnerships, etc., in Greece, utilizing to the maximum the company's human resources, equipment, know-how, experience and reputation.

It is responsible for the following Sectors: Wind and Photovoltaic Parks, Hydroelectric Projects and the Development of New Opportunities.

Business Development General Division is responsible for the compliance within its area of responsibility as follows:

- Collaborates and supports the regulatory compliance process and encourage staff to do the same
- Ensures that all staff, within their control area, comply with the Regulatory Compliance Obligations, policies, processes and procedures of the Organization
- Identifies and communicates regulatory compliance risks
- Integrates regulatory compliance obligations into existing business practices and processes
- Monitor and support training activities on regulatory compliance
- Encourages staff to raise concerns about regulatory compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to regulatory compliance
- Ensures the implementation of the corrective actions that have been identified and decided

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

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

Energy Trading General Division is responsible for the compliance within the area of responsibility as follows:

- Collaborates and supports the regulatory compliance process and encourage staff to do the same
- Ensures that all staff within their control area comply with the Regulatory Compliance Obligations, policies, processes and procedures of the Organization
- Identifies and communicates regulatory compliance risks in their operations
- Integrates regulatory compliance obligations into existing business practices and processes
- Monitors and supports training activities on regulatory compliance
- Encourages staff to raise concerns about regulatory compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to regulatory compliance
- Ensures the implementation of the corrective actions that have been identified and decided.

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

Americas Business General Division coordinates, controls and manages all the operations in which the Company participates, independently or through joint ventures, in the said geographical area, utilizing human resources, equipment, know-how, experience and reputation of the Company, to the maximum extent possible.

Americas Business General Division is responsible for the design/development, construction and operation of all the Company's projects as well as any other activity carried out by the Company in the geographical area.

Americas Business General Division is responsible for the following areas: Development, Construction, Operation and Financial and Administrative Services

Americas Business General Division is responsible for the compliance within the area of responsibility as follows:

- Collaborates and supports the compliance process and encourages employees to do the same
- Ensures that all employees within its area of control are in line with the compliance obligations, policies, processes, and procedures of the organization
- Identifies and communicates compliance risks in their operations
- Integrates compliance obligations into existing business practices and processes in their area of responsibility
- Monitors and supports compliance training activities
- Encourages employees to raise concerns about compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to compliance
- Ensures the implementation of the corrective actions that have been identified and decided.

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

Europe and Other Countries General Division, controls and manages all the operations in which the Company participates, independently or through joint ventures, in the said geographical area, utilizing to the maximum extent possible the human resources, equipment, know-how, experience and reputation of the Company.

Europe and Other Countries General Division is responsible for the design/development, construction and operation of all the Company's projects, as well as any other activity carried out by the Company in the geographical area.

Europe and Other Countries General Division is responsible for the following areas: Development, Construction, Operation and Financial and Administrative Services.

Europe and Other Countries General Division is responsible for the compliance within the area of responsibility as follows:

- Collaborates and supports the compliance process and encourage employees to do the same
- Ensures that all employees within their area of control are in line with the compliance obligations, policies, processes, and procedures of the Organization
- Identifies and communicates compliance risks in their operations
- Integrates compliance obligations into existing business practices and processes in its area of responsibility
- Monitors and supports compliance training activities

- Encourages employees to raise concerns about compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to compliance
- Ensures the implementation of the corrective actions that have been identified and decided.

## **6. PPP GENERAL BUSINESS DIVISION**

PPP General Business 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 stage of operation. To achieve its objectives, the General Division cooperates with the central technical, administrative, and financial services/functions of the Company, where required. PPP General Business Division consists of the following Sectors: A. Environmental Works Sector B. Sector of Special Concessions Works and C. Digital Applications Sector.

PPP General Business Division is responsible for the compliance within the area of responsibility as follows:

- Collaborates and supports the compliance process and encourage employees to do the same
- Ensures that all employees within their area of control are in line with the compliance obligations, policies, processes, and procedures of the Organization
- Identifies and communicates compliance risks in their operations
- Integrates compliance obligations into existing business practices and processes in its area of responsibility
- Monitors and supports compliance training activities
- Encourages employees to raise concerns about compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to compliance
- Ensures the implementation of the corrective actions that have been identified and decided.

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

Finance and Administration General Division is responsible for the collection, accounting and control of the financial data of the Company and its subsidiaries, the operations of the company's accounting department, as defined by the Books and Records Code, the IFRS and the Greek Accounting Plan. Finance and Administration General Division has also the responsibility for the preparation and publication of the intermediate and annual financial statements, according to the IFRS and the compliance to legal and other requirements so that the company has no outstanding tax obligations.

Finance and Administration General Division is responsible for the compliance within the area of responsibility as follows:

- Collaborates and supports the compliance process and encourage employees to do the same
- Ensures that all employees within their area of control are in line with the compliance obligations, policies, processes, and procedures of the Organization
- Identifies and communicates compliance risks in their operations
- Integrates compliance obligations into existing business practices and processes in its area of responsibility
- Monitors and supports compliance training activities
- Encourages employees to raise concerns about compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to compliance
- Ensures the implementation of the corrective actions that have been identified and decided.

## 8. FINANCIAL PLANNING DIVISION

Financial Planning division manages financing issues for the Company's development activities by ensuring the necessary financial resources for its investment program and also manages loan and treasury management issues.

Financial Planning division is responsible for the compliance within the area of responsibility as follows:

- Collaborates and supports the compliance process and encourage employees to do the same
- Ensures that all employees within their area of control are in line with the compliance obligations, policies, processes, and procedures of the Organization
- Identifies and communicates compliance risks in their operations
- Integrates compliance obligations into existing business practices and processes in its area of responsibility
- Monitors and supports compliance training activities
- Encourages employees to raise concerns about compliance and supports this action by ruling out all forms of retaliation
- Actively participates in the management and resolution of incidents related to compliance
- Ensures the implementation of the corrective actions that have been identified and decided.

## **CHAPTER IV : INDEPENDENT SERVICES – UNITS**

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

The Internal Audit Unit is an independent, objective, confirmatory, auditing and advisory activity that seeks to add value to the Company by improving corporate operations and procedures.

The Internal Audit Unit supports the company in achieving its objectives by 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 are 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 in the Head of the Internal Audit Unit.

### **2. LEGAL SERVICE**

The Legal Service is responsible for the prevention and resolution of legal problems that arise from the Company's activities. It provides advisory support to the Management and the heads of the organizational units. Legal services' role is both executive and supportive. The Legal Service has advisory role to the Company's institutional-regulatory framework of operation and executive role to the specific issues of legal nature that it is required to address. The Company's legal Service consists of internal and external partners.

The cooperation with external law firms and notary offices, for the management of company's individual issues / projects is approved by the CEO or another management executive who has been assigned relevant responsibility, following the relevant recommendation of the pertinent General Manager and the Legal Advisor of the company. The Legal Advisor has also the responsibility for the preparation of the relevant cooperation agreement.

### **3. COMPLIANCE OFFICER**

The role of the Compliance Officer is to ensure the Company's compliance with the current institutional and supervisory framework governing its business activities and operation. The Compliance Officer protects the integrity and reputation of the Company through the establishment and implementation of a comprehensive compliance program, which includes prevention and corrective actions regarding compliance issues.

The Compliance Officer reports operationally to the Board of Directors (hereinafter referred to as the "BoD"), and administratively to the Chief Executive Officer.

The responsibilities of the Compliance Officer include the following:

1. Development and establishment of a compliance and anti-bribery corporate culture.
2. Determination of the current legal and regulatory framework and monitoring of its changes/revisions, with the contribution of the Legal Department.
3. Ensuring the effective implementation of compliance policies and procedures.
4. Analysis of deviations and development of action plans in relation to legal and regulatory requirements.
5. Performance of compliance and anti-bribery risk assessment.
6. Submission of proposals for the mitigation of compliance and anti-bribery risks
7. Development and implementation of an annual compliance and anti-bribery plan and submission for

approval to the Board of Directors through the Audit Committee.

8. Continuous information and training of employees on compliance and anti-bribery issues.
9. Contribution to the recognition of compliance and anti-bribery obligations
10. Documentation of compliance and anti-bribery risks analysis and evaluation
11. Alignment of the compliance and anti-bribery management system with the compliance objectives
12. Monitoring and measurement of compliance and anti-bribery performance.
13. Analysis and evaluation of the compliance and anti-bribery management system aiming at the identification of corrective actions.
14. Establishment of a reporting system for compliance and anti-bribery issues
15. Ensuring that the regulatory compliance and anti-bribery management system is reviewed at scheduled intervals
16. Establishment of a system to raise concerns and assurance that these concerns are addressed

In addition, the Compliance Officer should monitor that:

1. Responsibilities and authorities for compliance and anti-bribery have been appropriately allocated across the organization
2. Compliance and anti-bribery obligations have been integrated into policies, processes and procedures
3. All employees involved are trained as needed
4. Performance indicators have been established

The Company has developed and maintains a Compliance Management System in accordance with ISO 37001 & ISO 37301 standard requirements.

The above Management Systems are audited by an independent certification body, in accordance with the current version of the standards.

The Compliance Officer has the responsibility for the study, implementation, compliance control and updating of the Management System, so as to improve the company's operation, with planned and systematic actions and audits or procedures that have already been approved as mandatory, for the smooth, safe, efficient, corporately responsible and lawful operation of the Company.

### **3<sup>A</sup>. COMPLIANCE COMMITTEE**

The Compliance Committee consists of three (3) members and has a supportive role to the Compliance Officer. Its main responsibilities are the following:

- Participates in the identification of the Company's compliance framework and adapts it in procedures and policies in cooperation with responsible managers.
- Identifies new compliance requirements in a timely manner using an appropriate methodology (e.g. registration on platforms)
- Ensures through mechanisms, the dissemination of compliance obligations, values and principles of the Company's Code of Ethics to the responsible employees and provides the appropriate advice to them and the management.
- Seeks information through the Compliance Officer for the implementation of the relevant procedures.
- Participates in the update of the Code of Ethics
- Participates in the development of policies related to the implementation of the Code.
- Provides advice and clarifications to the employees on the issues of the Code.
- Issues reports on compliance and the level of implementation of the Company's Code of Ethics to senior management.
- Participates in the recognition, evaluation and management of risks related to compliance, corruption and bribery.
- Develops and implements procedures for the evaluation of information regarding complaints on compliance issues e.g., complaints, information from suppliers etc.
- Evaluates in cooperation with the responsible managers the policies and procedures related to compliance, corruption and bribery, labor relations, as well as the degree of their implementation by 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 taken over by the Company's units are in line with the Company's risk policies and procedures, as well as the tolerance limits that the top Management sets.

The Risk Officer reports operationally to the Board of Directors (hereinafter referred to as the "BoD"), and administratively to the Chief Executive Officer.

The responsibilities of the Risk Officer include the establishment of the risk management framework, risk management and reporting. Among them, the following are mentioned, indicatively:

1. Formulation of the risk management strategy.
2. Development of methodologies for identifying, recording, evaluating, monitoring and managing risks.
3. Categorization of risks in order to monitor them more effectively.
4. Maintenance of an up-to-date risk register.
5. Assessment of inherent risks.
6. Evaluation of the adequacy and effectiveness of the controls and measures adopted and implemented by the Company.
7. Residual risk assessment.
8. Development of plans to address residual risks (acceptance, transfer, reinforcement of existing control points for further reduction/mitigation).
9. Preparation and submission of regular reports to the Management.
10. Informing the Board of Directors about significant risks and elevation of issues that require actions to be taken.

#### 5. QUALITY – HEALTH AND SAFETY – ENVIRONMENTAL & STANDARDS DIVISION

The company has developed and maintained:

- Quality Management System, according to ISO 9001 standard
- Occupational Health and Safety Management System, according to ISO 45001 standard
- Environmental Management System, according to ISO 14001 standard
- Energy Management System, according to ISO 50001 standard
- Information Security Management System, according to ISO 27001 standard
- Anti-Bribery Management System, according to ISO 37001 standard
- Compliance Management System, according to ISO 37301 standard

The above Management Systems are certified by an independent certification body, in accordance with the current version of each standard.

The QHSE&S Division ensures the study, implementation, control of compliance and updating of the above Management Systems in order to optimize the way the entire Company is organized and operated, with planned and systematic actions and controls or procedures that have already been approved as necessary for the smooth, safe, efficient, corporately responsible and lawful operation of the Company.



## 6. DATA PROTECTION OFFICER

The Company has appointed a Personal Data Protection Officer (DPO). The Personal 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 (e.g., supervisory authorities, data subjects).

Its role is non-executive and it is not personally responsible for non-compliance with the General Regulation (GDPR).

The controller or processor is responsible for ensuring and being able to demonstrate that processing is carried out in accordance with the GDPR.

Personal Data Protection Officer has complete independence in providing advice and suggestions.

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

The Data Protection Officer has the responsibilities and authorities of the relevant legislation. Its responsibilities and authorities include among others the following:

1. Informs the Company's management and its executives about any legislative and regulatory developments on personal data protection issues.
2. Advises the Company on their obligations under the GDPR.
3. Regularly trains the Company's employees on the requirements and measures for the protection of personal data.
4. Monitors the Company's compliance with the GDPR and other applicable provisions.
5. Indicates the cases where an impact assessment is required and participates in the impact assessment.
6. Collaborates with the Personal Data Service of GEK TERN A Group.
7. Communicates with the Personal Data Protection Authority and any other competent supervisory authority.

## 7. WIND MEASUREMENTS LABORATORY

The Wind Measurements Laboratory carries out wind measurements on behalf of the Company and third parties throughout Greece at the potential points of development of Wind Parks, with the goal of evaluating the points and making a Test – Measurement Report for the decision to install a Wind Farm. The Laboratory carries out tests based on the requirements of the EL0T EN ISO/IEC 17025 Standard, its customers', the existing legislative and regulatory framework, the requirements of organizations that provide recognition, as well as the requirements of the relevant methods. The Laboratory is organized to ensure that its management and employees are free from any internal and external commercial, financial and other pressure and from any influence that could adversely affect the quality of its work and is committed to its independence and impartiality. The Laboratory carries out exclusively Wind Measurement Tests, its Quality System covers all its activities and has been granted a certificate with No. 336 (19 March 2007) by the National Accreditation System.



## **8. DEPARTMENT OF COMMUNICATIONS**

The responsibility of the Department is to take care of the Public Relations of the Company. It is also responsible for the communication and contacts with the media, customers, partners, suppliers and shareholders.

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

Corporate Social Responsibility has always been one of the most important areas for the Company and aims at a balanced confrontation of the economic, social and environmental impact from its operations. The CSR department of the Company is the coordinator of the actions. To fulfill its purpose, a committee is established on a case-by-case basis, which takes relevant decisions, the implementation of which is approved by the Board of Directors, President, CEO or Deputy CEO, depending on the financial size and the category of the action. Also, each operational entity of the Company may establish its own local CSR Committee, in order to draw up and implement action plans for local communities.

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

The Investor Relations and Shareholder Services Office is responsible for:

- Development and maintenance of constructive relations with investment - financial institutions that are interested in the activities of the Group and / or its selected subsidiaries, with the aim of achieving partnerships – alliances of a special financial, broader strategic and / or shareholder character, in direct cooperation with the Company's Management,
- Excellent service and constant communication with the investors-shareholders of the Company by providing appropriate information and support of their relevant needs
- Compliance with the provisions of the Principles of Corporate Governance regarding the Office of Investor Relations and Shareholder Services and the Corporate Announcements Department, in cooperation with the organizational units that provide relevant information and support, such as the Financial Management for the provision of financial data and reports,
- Timely collection and publication of the Group's financial statements,
- Keeping the Share Registry and communicating with the competent Services of the Stock Exchange on all matters related to it.
- Cultivating relationships and a climate of trust with existing shareholders, potential investors and the investment community in general
- Preparation of corporate announcements, stock exchange announcements and press releases regarding the company's activities
- Organization of conferences and meetings with investors
- Informing the management and project managers about the perception of the investment community towards the specific projects and the activity.

The Investor Relations and Shareholder Services Office also incorporates the Corporate Announcements Department, which discloses information to the public through the ATHEX, in order to be registered in the Daily Price Bulletin of the ATHEX. This information refers to events which, being made public, are expected to affect the company's share price.

## CHPATER V: CODES, POLICIES AND PROCEDURES

### 1. CORPORATE GOVERNANCE CODE

The Company has adopted and implements the Greek Corporate Governance Code (GCGC) of the Greek Corporate Governance Council (GCGC). GCGC is the basis for the implementation of an integrated corporate governance system and is constantly adapted to the changing conditions of the Company's economic, social and business environment. GCGC is posted on the Company's website ([www.terna-energy.com](http://www.terna-energy.com)).

### 2. CODE OF CINDUCT AND ETHICS

The Company's Code of Conduct and Ethics includes the fundamental principles, rules and values that shape the framework of corporate activities and determine our daily behavior and practice. Our basic principles, our beliefs, our corporate culture, our business ethics and, above all, our voluntary moral commitments, constitute a critical pillar of the Company in all its activities, which remains unchanged over time. The Code of Conduct and Ethics reflects and strengthens these fundamental principles and creates an agreed and transparent framework of operation and behavior, which we and our partners, subcontractors and suppliers should respect. The Code always reminds to the Company's employees to understand the environment in which they work and the general culture of cooperation with the Company that should be developed.

The Company's Code of Conduct and Ethics, together with the corporate governance rules and policies applied, define the framework of the company's business operation. The content of the Code is in accordance with the general principles provided by the International Regulations and Conventions as well as by the international standards ISO 9001, ISO14001, ISO 45001, ISO 19600, ISO 37001, ISO 27001, ISO 50001 and SA 8000.

The conscious acceptance and implementation of the Code of Conduct and Ethics applies over time and ensures the creation of a working environment based on a value system, which promotes mutual trust, transparency, cooperation, recognition, integrity, equal opportunities and motivation for progress and which distinguishes the skills and personality traits of each person, contributes to overcoming personal and interpersonal difficulties, promotes the innovation of thoughts and actions based on the up to date achievements and ultimately creates a sense of security and fairness for all employees in a modern environment.

### 3. POLICIES AND PROCEDURES

#### 3.1 Table of policies and procedures

AA	Policy/Procedure
1	Procedure for the recruitment / selection of Senior Management
2	Procedure for the Performance Evaluation of Senior Management
3	Procedures for compliance with the management of preferential information (compliance of the members of the Board of Directors, persons performing managerial duties and persons who have close ties with them with the obligations of Article 19 of Regulation (EU) 596/2014, as well as of the Company with Regulation (EU) 596/2014)
4	Procedure for ensuring the independence of board members and reassessment of the conditions of independence
5	Procedure for the recognition of related party transactions and compliance with applicable legislation
6	Policy to prevent and deal with conflicts of interest
7	Due diligence procedure (contains the procedure for preventing and dealing with conflicts of interest situations)
8	Compliance and Corruption -Bribery Control Policy
9	Compliance Procedures Manual
10	Policy for the periodic evaluation of the Internal Control System
11	Procedure for the periodic evaluation of the Internal Control System
12	Training policy for board members & managers
13	Sustainable Development Policy

##### 3.1.1 Procedure for the recruitment / selection of Senior Management

The Company has a procedure in place for the recruitment of senior management executives, which aims at the fair, transparent, and documented selection of the appropriate candidates who will staff the Company based on their academic and professional qualifications, and their abilities/skills.

The above procedure applies to all senior management of the Company. It shall be implemented whenever a vacancy arises.

##### 3.1.2 Procedure for the Performance Evaluation of Senior Management

The purpose of this procedure is to reflect the actions followed in the evaluation of the performance of the Company's Senior Management.

### **3.1.3 Compliance procedures for the management of preferential information (compliance of board members, persons performing managerial functions and persons having close links with them with the obligations of article 19 of Regulation (EU) 596/2014, as well as of the Company with Regulation (EU) 596/2014).**

The purpose of the procedure is the documentation of the necessary actions for the proper management of information both to the competent authorities, as well as to the Company and the investors, as defined by the Regulation on Insider Dealing.

### **3.1.4 Procedure for ensuring the independence of board members and reassessment of the conditions of independence**

The purpose of the procedure is to ensure the Company's compliance with the current legal and supervisory framework and specifically to confirm and ensure the following:

- the independent non-executive members of the Board of Directors (BoD) have the characteristic of independence at the time of assuming their duties and will maintain this status during their term of office,
- there is, on a consistent basis, the possibility of monitoring the fulfilment of the independence criteria of the subject members of the Board of Directors.

### **3.1.5 Procedure for the recognition of related party transactions and compliance with applicable legislation**

The procedure was drawn up in the context of the transparency and supervision of the Company's transactions with related parties. More specifically, it relates to the supervision of transactions with related parties in the context of the Company's compliance with the provisions of the current institutional and supervisory framework that define the criteria the Company is obliged to observe in order for these transactions to be legal.

### **3.1.6 Policy to prevent and respond to conflicts of interest**

The purpose of this Policy is to define the basic axes that should be followed by all personnel of the company on conflict-of-interest issues that affect or may affect the interests of the company and its affiliated companies, as well as its customers, suppliers and partners.

### **3.1.7 Due diligence procedure (contains the procedure for preventing and responding to conflicts of interest)**

This Process describes the due diligence actions taken by the company during:

- Working with critical partners
- Its participation in important projects and investments.
- The execution of transactions.
- The selection and management of personnel

### **3.1.8 Compliance and Corruption -Bribery Control Policy**

This Policy aims to define the basic axes that should be followed by all the Company's employees on issues of regulatory compliance, corruption, and bribery.

### **3.1.9 Compliance Procedures Manual**

In the context of the role of the Compliance Officer, the Company, having assessed the complexity and nature of its activities, adopts a compliance procedures manual.

The manual describes the basic operations and internal procedures the Compliance Function implements for ensuring the continuous compliance with the legal and regulatory framework as well as with the company's internal documents.

### **3.1.10 Policy for conducting a periodic evaluation of the Internal Audit System**

The Company has established and implements an Internal Audit System Evaluation Policy in accordance with the institutional and supervisory requirements as reflected in Law 4706/2020 and in the Decision of the Hellenic Capital Market Commission (HCMC) 1/891/30.9.2020.

The purpose of the Policy is the periodic evaluation of the Company's Internal Audit System with a view to its continuous improvement.

The Unit responsible for the development and updating of the Policy is the Internal Audit Unit.

### **3.1.11 Procedure for carrying out a periodic evaluation of the Internal Audit System**

According to the institutional and supervisory framework, an evaluation of the Internal audit system is required either periodically (every 3 years) or on a case-by-case basis (following an EC decision) by an external evaluator.

The purpose of the Procedure is to determine the required actions for the execution of the periodic evaluation of the Internal Audit System and the assurance of the Company's compliance with the current institutional and supervisory framework and good practices.

### **3.1.12 Policy for the training of members of the Board of Directors & Managers**

The purpose of the Policy is to present the main steps of the Company's training system, mainly in terms of the design and implementation of training for Board members and Managers. In particular, training policy shall aim to:

- inform the new members of the Board of Directors and new Managers of the Company, emphasizing on issues of corporate culture, values and general strategy of the Company, through appropriate programs and introductory informative meetings
- the continuous professional training of the existing members of the Board of Directors and the Managers of the Company.

The aim of the Company's training system, whether it concerns members of the Board of Directors or Managers, existing or new, is to acquire a comprehensive knowledge of the Operation of the Company, a clear understanding of the organizational structure, the business model, the risk profile, the financial and regulatory developments in the fields of activity at international and national level and the improvement of their skills and institutional knowledge for the effective exercise of their duties on an ongoing basis and in the context of good corporate governance.

**3.1.13 Sustainable development policy**

The Group's approach to Sustainable Development is based on dialogue with stakeholders, as well as on the identification and regular assessment of the most important economic, social and environmental impacts of its activities. It aims to enhance positive effects and limit negative ones, through best practices, sustainable initiatives and reliable partnerships, looking forward to continuous improvement for the benefit of shareholders, investors, employees and society.

The responsible Unit for the development and updating of this policy is the CSR Division.