



INTERNAL CONTROL SYSTEM EVALUATION POLICY

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1. INTRODUCTION

The existence of an organized Internal Controls System (ICS) contributes significantly to the proper functioning and achievement of the business objectives of ADMIE Holdings S.A.

ICS means all internal control mechanisms and procedures, including risk management, internal control and regulatory compliance, which covers on an ongoing basis all activities of the Company and contributes to its safe and effective operation. It is directly linked to the organizational structure and general operating rules of the Company.

This document reflects the ICS Assessment Policy adopted by the Company in order to apply the appropriate risk management and internal control procedures, as defined by Law 4706/2020 and the Company's Charter of operation, in order to ensure the adequacy and effective functioning of the ICS during the evaluation period.

The ICS should be monitored in order to assess the quality of its performance over time.

2. ICS ASSESSMENT CRITERIA

In order for an Internal Control System to be classified as effective, it must meet certain criteria which are:

- **Appropriate staffing:** human resources with adequate training, skills and knowledge, implies increased chances of achieving objectives.
- **Separation of tasks and responsibilities :** adequate and clear separation of tasks and responsibilities, at all levels of operation, is one of the most material safeguards examined in each ICS.
- Management is based on the **allocation of responsibilities** at all levels in order to ensure the best result. At the same time, the development of initiatives, the development of knowledge, the evaluation of any actions and the degree of objective's achievement should be strengthened.
- **Approval – authorization:** serious or dangerous/ unusual transactions should be accompanied by a special authorisation, which should be approved by the Board of Directors through a list of authorisations, as opposed to cases involving classic day-to-day operations.
- **Transaction assurance:** each transaction should be ensured that it is carried out in accordance with the company's relevant policy. Every transaction should be properly represented and the possibility of accounting errors should be minimized.

- **Issue and entry of data:** each entry in the accounts must be accompanied by the corresponding documents. In this way, the authenticity and correctness of the relevant accounting entry is proved, as well as the validity of the transaction depicted in it.
- **Monitoring of work:** the supervision of human resources' work provides the possibility for immediate correction, where necessary.
- **Design of procedures according to risks :** the design and scope of the procedures is a function of the size, nature of the activities and the risk that the Company is called upon to face. Similarly, the cost of control should not be the same as the benefits of operating and controlling the system.
- **Internal Audit Unit:** The operation of the Internal Audit Unit, in order to assess the adequacy of the ICS itself, should maintain its independence through appropriate reference lines.
- **Periodic evaluation:** the monitoring and periodic evaluation of the ICS should be carried out on the basis of its adequacy and effectiveness. The ICS should be adjusted and improved in line with the changes that are being made to the Company.

3. AUTHORIZATION AND AWARENESS ACTIVITIES

The ICS acts as a tool to determine whether the roles and responsibilities have been assigned to the appropriate authorized persons and that the authorization was made in accordance with the Company's policy. Also, that all the prescribed procedures for the required approvals were followed and the necessary supporting documents were issued.

The training contributes to achieving continuous information and improvement through monitoring of economic and political developments. Thus, the Internal Audit in turn informs the Management about the new data and proposes the adjustments required for the ICS and its operation to the new needs.

4. THE ROLE OF ICS IN RISK MANAGEMENT

The ICS is based on and contributes to the assessment and management of operational risks, providing for the implementation of appropriate safeguards where required, considering:

- (a) the extent to which objectives have been set and communicated at all levels within the organization and supported by consistent business strategies, plans and budgets.
- (b) the adequacy of safeguards to identify, analyze and mitigate operational risks arising from external and internal sources.
- (c) the existence of appropriate mechanisms to identify and address significant changes that could affect the ability of the company to achieve its goals.

The Board of Directors is responsible for defining the strategy followed in risk management and senior management is responsible for the implementation of this strategy. However, in order to add value to the operation of the ICS, periodic evaluation and suggestions for improvement by the Internal Audit Unit are required, as well as training of the Management regarding the integration of risk management procedures in the business activities.

5. INTERNAL CONTROL MODEL

The ICS is the set of internal control mechanisms and procedures, including risk management, internal control and regulatory compliance, which covers on an ongoing basis all activities of the Company and contributes to its safe and effective operation.

In support of large companies in internal control matters, the COSO Committee of Sponsoring Organizations of the treadway commissions "COSO" was established in 1985. COSO's mission is to provide leadership with guidance through the development of integrated frameworks and guidance on risk management, internal control and fraud prevention, with a view to improving organisational performance and corporate governance and reducing the extent of fraud in organizations.

According to the COSO Committee, ICS consists of 5 interrelated components, as follows:

- Control environment
- Risk assessment
- Control activities
- Information & communication
- Monitoring Activities



Control environment

It is the foundation stone of the System and is structured by all those individual elements that determine the overall organization and way of administration and operation of the Company. Characteristics: a) The Company demonstrates a commitment to integrity and ethical values. b) The BoD shall exercise independence from the Management and supervise the development and implementation of the ICS. c) The Management shall establish, under the supervision of the BoD, structures, reporting lines and appropriate principles and responsibilities to achieve the objectives. d) The Company demonstrates its commitment to attracting, developing and maintaining competent individuals in line with the objectives. e) The Company places duties on the responsibilities of the ICS to achieve the operational objectives.

Risk assessment

The operation of the System requires the definition of the objectives, the recognition and evaluation of any important event and in particular the risks that the Company may pose and the treatment by the Company. The characteristics of the risk will be judged by the nature and category, the extent to which it will have, the possibility of limitation and the management costs. b) Identify risks to the achievement of its objectives across the entity and analyse risks as a basis for determining how to manage risks. c) It shall consider fraud in the assessment of the risks to the achievement of the objectives. d) Identify and evaluate changes that could significantly affect the Internal Control System.

Control Activities

They consist of procedures, technical and organisational, which are set to ensure the implementation of the decisions of the Board of Directors on risk management. They relate to the entire management of the Company, i.e. Board of Directors, Management, other employees. asset security. They are part of employees' day-to-day operations and are incorporated into corporate policies and procedures, which should be reviewed periodically in order to be appropriately updated. b) Selects and develops general control activities on technology to support the achievement of the objectives. c) Develop control activities through policies that determine what is expected and procedures that implement policies.

Information and communication

It concerns the flow, time and manner in which the risk is communicated between the competent bodies of the Administration. a) The Company receives or creates and uses relevant, quality information to support the operation of the ICS b) Communicate internal information, including objectives and responsibilities for the ICS, necessary to support the functioning of internal control. c) Communicate with external parties on matters affecting the

functioning of internal control.

Monitoring Activities

Through supervisory activities, the evaluation of the System is achieved and possible gaps in the mechanism are identified. The evaluation is based on internationally recognized standards and may be carried out by a third party independent of the Company (legal or natural).

6. INTERNAL CONTROL SYSTEM EVALUATION

The Company conducts periodic evaluation of the ICS, in particular as to the adequacy and effectiveness of the financial information, on an individual and consolidated basis, in terms of risk management and regulatory compliance, in accordance with recognized standards of evaluation and internal control, as well as the implementation of the provisions on corporate governance of the law. This evaluation is carried out by persons who have proven relevant professional experience and do not have dependent relationships.

The ICS assessment shall follow the following procedures:

- On an annual basis, at the first meeting of the Board of Directors and the Audit Committee, the Head of the Internal Audit Unit evaluates the ICS and submits the previous year's Annual Report to the Audit Committee. The Report shall be prepared in accordance with the International Standards for the Professional Implementation of Internal Audit.
- The Head of the Internal Audit Unit provides an opinion on the overall adequacy of the actions, procedures and governance, risk management, regulatory compliance and control procedures at the overall level or for individual processes, functions and departments of the Company. The Opinion shall accompany the Annual Report submitted to the Audit Committee, based on the results of the work and activities of the Unit and shall take the form of an assurance (positive, negative or without prejudice).
- On a periodic basis, as defined by the Board of Directors, an evaluation of the ICS is carried out by an independent body in order to cover all the individual dimensions of the ICS (and the Internal Audit Unit). The independent body shall be designated by the Audit Committee and shall be suitably qualified for the evaluation, on which it shall report to the Audit Committee.

The process of proposing, selecting, approving and finally assigning the evaluation of the ICS is initiated by order of the Board of Directors of the Company to the CEO to collect at least three (3) written and signed offers from objective, independent, proven

certified and competent. Assessors are legal or natural persons or associations of persons.

Then, the CEO of the Company, with the assistance of the Financial Director of the Company, collects the written and signed offers from evaluators who meet specific regulatory criteria as clearly defined in article 9 of Law 4706/2020 and in decision 1/891 / 30.9.2020 of the Board of Directors of the Hellenic Capital Market Commission.

The next step in the award process is the recommendation of the Ceo of the Company to the Audit Committee of the Company as to the appropriate evaluator based on the regulatory criteria mentioned above as well as technical and financial criteria. The Audit Committee of the Company controls the recommendation of the Ceo and in turn recommends to the Board of Directors of the Company which is ultimately responsible for the selection of an evaluator and assignment of the evaluation project of the ICS.

The selected evaluator then starts the project and concludes with the evaluation report described below. The ICS evaluation concludes with a detailed report covering all findings and potential risks related to the subjects of the evaluation. The necessary elements of the report shall be the time of its drafting, the reference date of the evaluation and the period covered. The recipient is the Board of Directors and the Audit Committee of the Company. The Company submits without delay to the Hellenic Capital Market Commission, and in any case within three (3) months of the date of reference of the Evaluation Report, the summary of the Report and, if necessary, the entire report. The annual Corporate Governance Statement shall include a report on the results of the Evaluation Report.

