

## 1. Letter from the Chairman of the Audit Committee

Dear Messrs. Shareholders and representatives of the Company's shareholders,

On behalf of the Audit Committee ("Committee") of IKTINOS HELLAS S.A. ("Company"), I am pleased to present to you the Report of the Committee ("Report"), for the financial year 2019.

The purpose of this Report is to present a concise but comprehensive picture of the Committee's work over the past year.

The main issues undertaken by the Audit Committee during the year 2019 are briefly categorized as follows:

- Examination and evaluation of the efficiency and effectiveness of the procedures of the Internal Audit System;
- Information on the procedures for preparing the financial statements and on other issues related to the statutory audit by the chartered accountant;
- Examination and evaluation of the Company's financial statements;
- Compliance with the Corporate Governance framework;
- Evaluation of Internal Auditor reports;
- Monitoring of the Covid-19 issue, control and evaluation of the effects of the pandemic on the operational activity of the Company.

The main goal of the Committee is to provide support to the Board of Directors of the Company in the context of matters falling within its responsibilities, in accordance with the applicable legislative and regulatory framework and its Rules of Procedure.

Issues that concern the Company regarding the identification, assessment and management of risks continued to be on top of the Committee's agenda in the year 2019 and in fact in an advanced way, as these generally concern the companies operating in the marble sector in Greece and internationally in particular due to the Company's export profile.

At the moment, we are all concerned about the COVID-19 pandemic crisis, a new high risk that the Committee has taken into account and is closely monitoring.

Finally, I would like to warmly thank Mr. Harilis Petropoulos and Mr. Efthimios Hatzistefanidis, who left the Committee in June 2019 and February 2020 respectively, for their outstanding contribution to the operation of the Committee, and to welcome Messrs. Stavros Isaakidis and Vassilis Petinis, who have been members of the Committee since June 2019 and February 2020 respectively.

Yours sincerely,

Ioannis Tamaresis  
Chairman of the Audit Committee

## 2. Introduction

The Company has an Audit Committee whose establishment and operation is governed by the provisions of article 37 of L.3693/2008 on the establishment of an audit committee by the Members of the Board of Directors, the provisions of L.4449/2017, the relevant circular of the Hellenic Capital Market Commission no.1302/28-4-2017 and Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16.4.2014.

## 3. Purpose

The primary purpose of the Audit Committee is to support the Board of Directors in its duties related to financial information, internal audit, regulatory compliance, corporate risk management and personal data protection. The responsibilities and operation of the Committee for the fulfillment of its purpose are further analyzed in the current Audit Committee's Rules of Procedure.

## 4. Composition

In accordance with the provisions of art. 44 of Law 4449/2017, the Audit Committee is an independent committee from the Board of Directors of the Company, consisting of two independent persons from the Company within the meaning of the provisions of art. 4 of Law 3016/2002 and an independent non-executive member of the Board of Directors within the meaning of the provisions of art. 4 of Law 3016/2002.

The Chairman of the Audit Committee is appointed by its members or elected by the General Meeting of the Company's shareholders and is independent from the Company.

At least one member of the Audit Committee is a certified public accountant in suspension or retired or has sufficient knowledge in auditing and accounting.

The members of the Audit Committee as a whole have sufficient knowledge in the field in which the Company operates.

Also the members of the Audit Committee meet the criteria of independence of art. 4 of Law 3016/2002 and specifically:

1. They do not hold more than 0.5% of the share capital of the Company in shares and do not have a dependent relationship with the Company or its affiliated persons.
2. They do not have a dependent relationship with the Company or persons affiliated with it, in particular:
  - 2.1. They do not maintain a business or other professional relationship with the Company or with an affiliated company within the meaning of the applicable art. 32 par. 2 of Law 4308/2014, which by its nature affects its business activity, when in particular it is an important supplier or customer of the Company;
  - 2.2. They are not the chairman of the Board of Directors or a manager of the Company, nor do they have the above capacities or are executive members of the Board of Directors in a company affiliated with the Company within the meaning of the applicable art.32 par.2 of Law 4308/2014, nor do they maintain a dependent employment or paid relationship with the Company or its affiliated companies.
  - 2.3. They have no kinship up to the second degree nor are they the spouse of an executive member.

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