



INDEPENDENT, NON-EXECUTIVE BOARD MEMBERS’ REPORT FOR 2021

Overview

This report is submitted jointly by the Independent Non-Executive members of the Board of Directors (the “BoD”) of AVAX SA (the “Company”) to the Annual General Meeting of Shareholders of the Company on 23.06.2022, in accordance with article 9, paragraph 5 of Law 4706/2020.

1. During 2021, the Board of Directors of AVAX SA initially comprised eight Members, of which four were Executive and four Non-Executive, three of which were Independent Members. The Annual General Meeting of the Company on 24.06.2021, elected a new Board of Directors comprising 10 members in total, of which 5 were Executive and 5 Non-Executive, including the Vice President of the Board, 4 of which were Independent Members.

During 2021, as a result of decisions by the 24.06.2021 shareholder assembly, the Board’s composition went through two major changes: on the one hand, the addition of a lawyer with many years of experience and specific skills in resolving complex legal issues, thus achieving the Company's compliance with the legislation on diversity and the participation of more women in executive bodies, namely law 4706/2020 on corporate governance of public limited companies and the relevant circulars of the Hellenic Capital Market Commission, and on the other hand, an experienced executive of the Company dealing with the functions, administration and business development of the Group, thereby possessing skills useful for the operation of the Board of Directors.

Throughout 2021, the Board held a total of ninety-two (92) meetings.

2. During the Annual General Meeting on 24.06.2021, the Board proposed the approval of the Suitability Policy of the Members of the Board of Directors according to paragraph 3 of article 3 of Law 4706/2020, with the assembly voting in the proposal with of 80,322,969 votes (99.97% of the shares participating / represented), in favour of the Suitability Policy submitted to shareholders, the text of which is posted on the Company's website [<https://avax.gr/news/etisia-geniki-synelefsi-24-06-2021>]



3. Subsequently, the BoD of the Company which convened following the Annual General Meeting of 24.06.2021, elected two Committees to assist its operations, namely:

- the Audit Committee, as well
- the (joint) Remuneration and Nominations Committee.

More specifically:

3.1 An Audit Committee was established, in accordance with the provisions of article 44 of Law 4449/2017, consisting of three Non-Executive Members of the Board of Directors, of which two (2) are Independent and Non-Executive Members.

The Members of the Audit Committee of the Company are:

- Mr Christos Siatis, Independent Non-Executive Member
- Mr Alexios Sotirakopoulos, Independent Non-Executive Member, and
- Mrs Ekaterini Pistioli, Vice President - Non-Executive Member

During 2021, the Audit Committee dealt with issues related to External Auditing, Financial Disclosure, Sustainable Growth Strategy, as well as the Internal Auditing and Risk Management System of the Company. More specifically:

- (a) The financial disclosure procedure and the assessment of the Company's financial statements, in terms of their accuracy, completeness and consistency. As part of its responsibilities, the Audit Committee in 2021 presented to the BoD a report on the interim condensed financial information for the period 01.01.2021-30.06.2021.
- (b) The supervision of the official announcements concerning the financial performance of the Company and examination of the main areas of the financial statements, containing significant judgments and estimates by the Management etc.

The Audit Committee also examined in 2021 the implementation of the Sustainable Growth Strategy implemented by the Group across all levels and areas of activity, as well as the inclusion in the objectives of AVAX Group of essential issues, such as employment, health & employee safety, corporate governance, environmental protection, reduction of the Company's environmental footprint, etc.



During 2021, the Audit Committee also monitored the effectiveness of the Company's internal control and risk management systems, to ensure that the main risks are identified, addressed and disclosed correctly. Furthermore, it supervised and evaluated the adequacy of the work of the Internal Audit Unit and the reports it prepared, ensuring its independence, smooth operation and seamless and full access to information, in accordance with international standards for the professional implementation of internal control, as well as the current legal and regulatory framework. Finally, the Audit Committee informed the Board of Directors of the Company regarding the essential issues identified during the course of its work.

3.2 Furthermore, a (joint) Remuneration & Nomination Committee was established, comprising three Non-Executive Members of the Board of Directors, of which two (2) are Independent Non-Executive.

The Members of the Remuneration and Nominations Committee are:

- Mr Michalis Hatzipavlou, Independent Non-Executive Member
- Mrs Theodora Monochartzis, Independent Non-Executive Member, and
- Mrs Ekaterini Pistioli, Vice President - Non-Executive Member.

The role of the (joint) Remuneration and Nomination Committee is characterized by the following two basic functions:

- (a) Seeking, gathering information and proposing to Board of Directors of suitable candidate members for the Board of Directors of the Company, to ensure the smooth succession and continuity of the top of the Company's management pyramid, and
- (b) Preparing proposals to the Board of Directors regarding the remuneration of its executive members, as well as proposals for the revision of the Company's Remuneration Policy and checking the final draft of the Remuneration Report submitted, in line with legal requirements, to the Annual General Meeting of shareholders.

During 2021, and within the scope of its responsibilities, the (joint) Remuneration and Nomination Committee prepared the new Operating Charter of the Remuneration & Nomination Committee and drafted a new Remuneration Policy, in accordance with the provisions of articles 110, 111 & 112 of Law 4548/2018, coupled with articles 10, 11 & 12 of Law 4706/2020.



To prepare and optimise those documents, besides the afore-mentioned legal requirements, the Remuneration and Nomination Committee also took into account:

1. Circular #60/18.09.2020 of the Hellenic Capital Market Commission with guidelines for the Suitability Policy of Board Members for listed company, in accordance with article 3 of Law 4706/2020,
2. the provisions of the New Greek Corporate Governance Code 2021 of the Hellenic Corporate Governance Council (ESED),
3. as well as a study of comparable Operating Charters, Remuneration Policies and Remuneration Reports of other listed companies, both peers and operating in other business sectors, taking into account the best practices for listed companies according to relevant legislation.

During 2021, the Remuneration and Nomination Committee prepared the drafts of its Operating Charter and the (new) Remuneration Policy, and deliberated on them with the President of the Board of the Company, as part of his own competence regarding their compliance of the Company to Corporate Governance rules. The final deliverables of the Committee, namely the Operating Charter of the Remuneration & Nominations Committee and the (new) Remuneration Policy, were presented to the Board of Directors on its 16.12.2021 meeting, where they were unanimously approved and will be submitted for approval to the Annual General Meeting of the Company on 23.06.2022, in accordance with the relevant provisions of legislation.

Conclusions from the operations of the Board of Directors

4. The size of the Board's membership, especially following the addition of two new members in 2021, is the required and sufficient for the diverse activity of the Group ensuring the smooth, efficient and successful management and development of the corporate business & affairs, investments and the promotion of Corporate Governance.

The Board of Directors, acting in line with pertinent legislation, the Corporate Charter and corporate decisions, defines and supervises the implementation of the corporate governance system, as provided in articles 1 to 24 of Law 4706/2020, making adjustments when needed to address any shortcomings. Throughout 2021, the Board of Directors ensured the adequate and efficient operation of the Company's Internal Control System, for the purpose of consistent implementation of the business strategy, as well as the identification and management of any risks associated with its business and operation. To this extend, the Board of Directors has ensured the efficient operation of the internal control unit, and the



completeness and reliability of the data and information required for the accurate and timely recording of the financial situation of the Company and the preparation of reliable financial statements, as well as non-financial reports, according to article 151 of law 4548/2018.

The Board of Directors has appointed the competent bodies and supervises in an adequate manner their operation and compliance with regulations and legislation, as well as with the internal procedures for the operation of the Company. The Board has, inter alia, ensured that the functions constituting the Internal Control System are independent of the business sectors they audit, there is a clear and distinct allocation of responsibilities and departments and the Company has provided the appropriate financial and human resources, as well as the authority for their effective operation, in accordance with the relevant legislation.

It is also noted that the current BoD is suitable for the exercise of the responsibilities assigned to it, and its composition is balanced and contributes to the effective management of the Company and decision making. The members of the current Board of Directors collectively are capable of taking appropriate decisions in association with the business model, structure and operations of the Company, along with the strategy and markets in which the Company operates. Also, the areas of knowledge required for the activities of the Company are adequately covered by the Board with sufficient collective knowledge among its members, therefore the members of the Board collectively are capable of carrying out substantive, not just formal monitoring and criticism of the decisions of the executive members and the top executives.

5. The operation of the Board of Directors is considered adequate due to in-depth and detailed discussion and examination on proposals by the Chairman and the Managing Director of the Company regarding Group strategy and its implementation, as well as the strategy of its subsidiaries, devoting several hours in each meeting. During the year, in each of the regular meetings of the body, a detailed review of the progress of the implementation of the strategic plan of the Company is made and corrective actions are agreed upon, when the need arises or when the external environment or any unforeseen circumstances require it, thus allowing the Independent Board members to monitor and examine the strategy and the course of the Company. During the regular meetings of the Board of Directors in 2021, it emerged that the Executive Members consult with Non-Executive Members on the suitability of the strategic plans. It was also proven that all required information and clarifications regarding the implementation of the objectives, projects, development and investment plans, as well as the financial course of the Company, were provided by the Executive Members and senior executives of the Company, to other Board Members



and especially the Independent Members, allowing non-Executive Members to express their views on the proposals and exercise effective oversight of the Executive Members.

6. In addition, the Agenda of the respective regular meetings of the Board is prepared through the collaboration of the Chairman, the Managing Director and the competent company executives to ensure that important, urgent and regulatory issues as well as corporate governance issues are adequately covered. Senior staff or department heads of key business units of the Company are invited to some meetings, on a case-by-case basis, when the Management deems it necessary and feasible, to present to the Board the course of important / key projects of the Company, and / or to bring to the attention of the Board any issues that need improvement regarding the operation and performance of various Company units. The Agenda as well as the supporting material, including financial data, are usually forwarded several days in advance of Board meeting, providing its members sufficient time to prepare.

In regular meetings of the Board, the Chairman invites all members to freely submit their views and ensures their consideration by the Managers to optimise the suggestions and proposals. Board meetings are carried out with seamless communication, mostly at full membership as well as with timely resolution of the issues of the Agenda. Non-Executive members (including the Independent ones) express their opinions, based on the information provided to them, regarding suggestions / actions put forward to the Board by Executive members.

Regular Board meetings thus allow satisfactory monitoring of achievement of Company objectives and the performance of Executive Members during the year.

Suggestions

7. Based on the above, an area qualifying for improvement is the initial and further training of Board members on more specific issues related to the construction / technical projects sector, including continuous updating on current developments.

May 2022

Christos Siatis

Michalis Hatzipavlou

Alexios Sotirakopoulos

Theodora Monohartzis