



HFSF Audit Committee Charter

1. Purpose, composition and terms

- 1.1. The purpose of the Audit Committee is to assist the General Council in fulfilling its oversight responsibilities by providing advice and/or opinions for the:
 - a) financial reporting process and integrity of financial information,
 - b) statutory audit process including audit scope, timing and audit results,
 - c) selection, appointment, compensation and dismissal of the statutory auditor,
 - d) independence of the statutory auditor and in particular the appropriateness of the provision of non-audit services,
 - e) system of internal control,
 - f) Internal Audit Function's activity and performance,
 - g) compliance with applicable laws, regulations and the HFSF's code of conduct.
- 1.2. The Audit Committee will consist of at least two members of the General Council, one of which will be the Chairman, and one external member with long and significant international experience in auditing and accounting.
- 1.3. The General Council will appoint the Audit Committee members and the Committee Chair annually, and may dismiss Audit Committee members at any time. Each Committee member will be both independent nonexecutive and financially literate. The Committee as a whole should have competence relevant to the operation and mission of the HFSF.
- 1.4. The external member of the Audit Committee may attend the Executive Board meetings as observer.
- 1.5. The Audit Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions.
- 1.6. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared by the Head of Internal Audit, and archived after the approval of all audit committee members by the Secretary of the General Council.
- 1.7. Regular meetings will be scheduled to align with the main General Council meetings and notice will be given one month in advance whereas extraordinary meetings can be organized at least one week in advance.

2. Authority

- 2.1. The Audit Committee is empowered to:
 - a) Authorize investigations into any matters within its scope of responsibility in accordance the HFSF Founding



Law 3864/2010 (as in force).

- b) Submit the Audit Committee and the Internal Audit Function's budget to the General Council for approval, which may include the provision of outside legal or other independent counsel, accountants or other professional advisors as necessary to carry out its duties. The Audit Committee should be provided with sufficient resources to undertake its duties.
- c) Have unrestricted access to any information, records, data, and reports necessary to perform its duties.
- d) Meet and hold private sessions with anyone within HFSF or any external party (e.g. statutory auditors) it deems necessary to adequately fulfil its mandate in accordance with this Charter and the HFSF's Founding Law 3864/2010 (as in force).

3. Responsibilities

The committee will carry out the following responsibilities:

3.1 Financial Reporting and statutory audit

- 3.1.1. Monitor the financial reporting process, be informed and discuss with Executive Board, Senior Management and statutory auditors regarding:
 - a) the progress and timeline of the financial statements' preparation,
 - b) any significant accounting and reporting issues, and the outcome of audits including weaknesses in internal controls over financial reporting,
 - c) accounting treatment to complex, unusual, high-risk or controversial transactions,
 - d) major judgmental areas, assessments and estimates having a material effect on the financial statements and related non-financial information,
 - e) compliance with accounting policies, practices, standards and regulations, including any changes.
- 3.1.2. Monitor the adequacy and effectiveness of the system of internal controls regarding financial reporting via obtaining reports from the internal or statutory audits on findings and recommendations and Executive Board and Management responses. The Audit Committee shall also submit recommendations or proposals to ensure the integrity of the financial reporting process.
- 3.1.3. Review, analyze and comment on the clarity and integrity of the financial statements (and relevant non-financial information in other regulatory reports) in discussions with the Executive Board, Senior Management, the Internal Audit Function and the statutory auditor, prior to their approval by the General Council.
- 3.1.4. Review with the Executive Board and the statutory auditors the results of the audit, including:
 - a) the nature, scope and plan of the audit (before the audit commences) and provide recommendations, if necessary,
 - b) any difficulties encountered and / or any significant disagreements with Executive Board and Senior Management of the HFSF,
 - c) issues and reservations arising from the interim and final audits,
 - d) any matters the statutory auditor may wish to discuss (in the absence of the Executive Board, where necessary).



3.1.5. Inform the General Council of the outcome of the statutory audit and explain how the statutory auditor contributed to the integrity of the financial reporting and what the role of the Audit Committee was in that process.

3.2 Internal Audit and Internal Control

- 3.2.1. Review the adequacy and the effectiveness of HFSF's corporate governance, compliance, internal quality control and risk management systems via the coordination and oversight of the audit efforts. The Audit Committee shall report to the General Council any significant issues and propose relevant recommendations.
- 3.2.2. Approve and monitor the implementation of the Internal Audit Function's role, authorities and responsibilities, as described in the Internal Audit Charter and, if necessary, provide recommendations to the General Council.
- 3.2.3. Review and approve the annual risk based Internal Audit Plan all major changes regarding its adequacy to cover main financial and non-financial risks and monitor its execution.
- 3.2.4. Recommend to the General Council for the appointment or removal of the Head of the Internal Audit Function.
- 3.2.5. Assess the annual performance of the Internal Audit Function and the performance of the Head of Internal Audit taking into account recommendations by the Executive Board. Approve annual compensation of the Head of the Internal Audit Function.
- 3.2.6. Receive the results of the External Quality Assessment reviews of the Internal Audit Function and monitor the implementation of the measures agreed to address any issues identified.
- 3.2.7. Receive the Internal Audit reports, respective management responses and periodic activity reports including the implementation status of remediation actions agreed with auditees.
- 3.2.8. On a regular basis, meet separately with the Head of the Internal Audit to discuss any matters that the Committee or the Auditor believes should be discussed privately.
- 3.2.9. Bring to the attention of the General Council any issues that might impair the effectiveness of the Internal Audit Function, including its independence and direct access to adequate information and resources.

3.3 Appointment and independence of the statutory auditor

- 3.3.1. Assume responsibility for the statutory auditor's selection procedure, ensuring that transparent and non-discriminatory selection criteria have been determined for the invitation of auditing firms to the tendering process.
- 3.3.2. Recommend to the General Council the appointment of the statutory auditor, including at least two choices, with a reasoned preference for one and a clear statement that its recommendation is free from influence by a third party.
- 3.3.3. Review and monitor statutory auditor's independence by:
 - a) receiving annual declaration of independence by the external auditors and discussing the safeguards applied to mitigate any threats,
 - b) overseeing the statutory auditor's compliance with the additional reporting requirements in the Audit Report and the report to the Audit Committee (articles 10 & 11 of Regulation (EU) 537/2014),
 - c) formally pre-approving any permissible non-audit services - taking into account the permissible fee-cap for non-audit services - and after having properly assessed the threats to independence and the safeguards applied,
 - d) monitoring the adherence to the requirements regarding the cooling-off period prior to the employment of former statutory auditors as part of the Fund's management or governance bodies,



- e) holding discussions with the audit firm concerning threats to its independence and applicable safeguards, if the total fees received from the Fund in the last three consecutive financial years represent more than fifteen (15) percent of the total statutory auditor's fees.

3.4 Reporting and other responsibilities

3.4.1. Submit semi-annually reports to the General Council about:

- a) Audit Committee's activities, issues, and formulate recommendations as appropriate;
- b) the Committee's composition, responsibilities and how they were discharged, and
- c) any other information required to discharge its responsibilities.

3.4.2. Obtain upon request by the Internal Auditor, statutory auditor and the Executive Board any other report on HFSF issues that relate to its responsibilities and bring to the attention of the General Council any relevant issues.

3.4.3. Perform other activities related to this Charter as requested by the General Council.

3.4.4. Authorize and oversee special investigations to any HFSF's activity within its terms of reference.

3.4.5. Review and assess the adequacy of the Audit Committee Charter at least once every three years and submit any changes to the Charter as deemed appropriate to the General Council for approval.

3.4.6. Report to the General Council any non-conformance issues with the Charter as appropriate.

3.4.7. Self-assess the Audit Committee's performance on an annual basis.