

HFSF Audit Committee Charter

1. Purpose, composition and terms

- 1.1. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by providing advice and/or opinions on the:
 - a) financial reporting process (including processes over non-financial information i.e., ESG related disclosures) and integrity of financial and non-financial information (i.e., ESG related disclosures),
 - b) statutory audit process including audit scope, timing, quality 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,
- 1.2. The Audit Committee will consist of at least two members of the Board of Directors, one of which will be the Chairman, and one external member with long and significant international experience in auditing and accounting.
- 1.3. The Board of Directors may appoint Observers to the Audit Committee.
- 1.4. The Board of Directors will appoint the Audit Committee members and the Committee Chair annually and may dismiss Audit Committee members (including the Committee Chair) at any time. Each Committee member will be both an independent non-executive and financially literate. The Committee as a whole should possess the knowledge, skills and experience required for the proper provision of qualified advice, in particular in the field of accounting and auditing, to the Board of Directors.
- 1.5. The external member of the Audit Committee may attend relevant Executive Committee meetings as observer
- 1.6. 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 videoconference. The Committee will invite Executive members of the Board of Directors, the CFO, auditors, or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions.
- 1.7. Meeting agendas will be prepared along with appropriate briefing materials and provided at least four working days in advance to members. Minutes will be prepared by the Director of Internal Audit and archived after the approval of all Audit Committee members by the Corporate Secretary.
- 1.8. Regular meetings will be scheduled to align with the Board of Directors' regular meetings and notice will be given two weeks in advance, whereas extraordinary meetings can be organized with at least three days advance notice (in which case meeting agendas and appropriate briefing materials shall be distributed at least two working days 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 with the HFSF Founding Law (L. 3864/2010, as amended by L. 4941/2022).
- b) Submit the Audit Committee and the Internal Audit Function's budget to the Board of Directors for approval, which may include the provision of outside legal or other independent counsel, accountants, or other professional advisors as necessary to perform its duties. The Audit Committee should be provided with sufficient resources to undertake its duties.
- c) Preapprove all non-audit services performed by the statutory auditors.
- d) Have unrestricted access to any information, records, data, and reports necessary to perform its duties.
- e) Meet and hold private sessions with anyone within the 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 (L. 3864/2010, as amended by L. 4941/2022).

3. Responsibilities

The Committee will fulfill the following responsibilities:

3.1 Financial Reporting and statutory audit

3.1.1. Monitor the financial reporting process (including processes over non-financial information i.e., ESG disclosures), be informed and discuss with the statutory auditors:

- 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 and non-financial reporting,
- c) accounting treatment of 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 (as well as related non-financial information i.e., ESG) via obtaining reports from the internal or statutory auditors on findings and recommendations and the respective Management responses. The Audit Committee shall also submit recommendations or proposals to ensure the integrity of the financial reporting process (and the related processes over non-financial information i.e., ESG).

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 Members of the Board of Directors, the CFO, the Internal Audit Function and the statutory auditor, prior to their approval by the Board of Directors.

3.1.4. Review with the Executive Members of the Board of Directors, the CFO 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 Members of the Board of Directors and/or the CFO 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 Members of the Board of Directors and the CFO , where necessary).

3.1.5. Inform the Board of Directors of the outcome of the statutory audit and explain how the statutory auditor contributed to the integrity of the financial reporting (as well as applicable non-financial reporting i.e., ESG disclosures) 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 control and risk management systems via the coordination and oversight of the audit efforts. The Audit Committee shall report to the Board of Directors 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 Board of Directors.
- 3.2.3. Review and approve the annual risk based Internal Audit Plan and all major changes. Review with regard to the plans adequacy to cover main financial and non-financial risks and monitor its execution.
- 3.2.4. In conjunction with the CEO, select the Director of Internal Audit, which the CEO will subsequently recommend to the Board of Directors for appointment. Recommend to the Board of Directors the removal of the Director of Internal Audit.
- 3.2.5. Assess the annual performance of the Internal Audit Function and the performance of the Director of Internal Audit taking into account recommendations by the Chief Executive Officer. Approve the annual compensation of the Director of Internal Audit.
- 3.2.6. Ensure Quality Assessment measures for the Internal Audit Function in line with industry standards including but not limited to an external Quality Assessment conducted by an independent team or independent validator once every five years
- 3.2.7. 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.
- 3.2.8. Receive the Internal Audit reports, respective management responses and periodic activity reports including the implementation status of remediation actions agreed with auditees.
- 3.2.9. On a regular basis, meet separately with the Director of Internal Audit to discuss any matters that the Committee or the Auditor believes should be discussed privately.
- 3.2.10. Bring to the attention of the Board of Directors 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 oversight responsibility for the statutory auditor's selection procedure (including the definition of the criteria for the selection of the statutory auditor), ensuring that transparent and non-discriminatory selection criteria have been determined for the invitation of auditing firms to the tendering process, in line with the

procurement processes as defined by the HFSF.

- 3.3.2. Recommend to the Board of Directors 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 governing 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 fiscal years represent more than fifteen (15) percent of the total statutory auditor's fees.

3.4 Orientation and training

- 3.4.1. Audit Committee members will receive formal orientation training on the purpose and mandate of the Committee and on the Fund's objectives. A process of continuing education shall be established.

3.5 Reporting and other responsibilities

- 3.5.1. Submit annual reports to the Board of Directors about:
- a) the Committee's activities and open 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.
- 3.5.2. Perform other activities related to this Charter as requested by the Board of Directors.
- 3.5.3. Authorize and oversee special investigations to any HFSF's activity within its terms of reference or otherwise if specifically authorized by decision of the Board of Directors .
- 3.5.4. 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 Board of Directors for approval.
- 3.5.5. Report to the Board of Directors any non-conformance issues with the Charter as appropriate.
- 3.5.6. Self-assess the Audit Committee's performance on an annual basis.