

ΕΤΑΙΡΕΙΑ ΥΔΡΕΥΣΕΩΣ ΚΑΙ ΑΠΟΧΕΤΕΥΣΕΩΣ ΠΡΩΤΕΥΟΥΣΗΣ Α.Ε.



**RULES OF PROCEDURE OF THE BOARD
OF DIRECTORS**

December 2021

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1. Introduction

The Board of Directors (BoD) is the supreme governing body of EYDAP SA ("Company"), which primarily formulates its strategy and development policy, while it supervises and controls the management of its assets. The Board of Directors is competent to decide on all matters relating to the management of the Company's assets, its administration and representation and its activities in general, and takes all appropriate measures and decisions to achieve its purpose. The Board of Directors also monitors the progress of the Company and the implementation of its activities. Excluded from the competence of the Board of Directors are those matters which, according to the provisions of the law or the Company's Articles of Association, fall within the exclusive competence of the General Meeting. The ultimate objective of the Board of Directors is to maximize the long-term value of the Company and to defend the general corporate interest.

The Board of Directors is supported by the BoD Secretariat Department/Company Secretary to comply with internal procedures and policies, relevant laws and regulations and to operate effectively and efficiently.

The present Regulations of the Board of Directors are drawn up in accordance with the principles of the Greek Code of Corporate Governance adopted by the Company by the 20905/7.7.2021 decision of its Board of Directors and are valid from the date of its approval by decision of the Board of Directors. Any amendment to it is also approved by the Board of Directors of the Company.

2. Responsibilities of the Board of Directors

The Board of Directors is responsible for defining the values and strategic orientation of the Company and for the continuous monitoring of their observance. In parallel with the provisions of Law 4389/2016, the Board of Directors remains responsible for the approval of the Company's strategy and business plan, as well as for the continuous monitoring of their implementation, ensuring the availability of the necessary financial and human resources. The Board of Directors also regularly reviews the opportunities and risks in relation to the defined strategy, as well as the relevant measures taken to address them. The Board of Directors seeks to obtain all necessary information from its executive members and/or directors and is kept informed about the market and any other developments affecting the Company.

The Board ensures that the Company's values and strategic planning are aligned with its corporate culture. The Company's values and purpose are translated and put into practice and influence practices, policies and behaviors within the Company at all levels. The Board of Directors and senior management set the standard for the characteristics and behaviors that shape the corporate culture and exemplify its application. At the same time, they use tools and techniques aimed at integrating the desired culture into the Company's systems and processes.

The Company encourages non-executive directors to ensure that they are kept informed regarding the above issues.

The responsibilities of the Board of Directors are set out in Article 18 of the Company's Articles of Association.

Furthermore, in accordance with Law 4706/2020 and the principles of the Greek Corporate Governance Code, the Board of Directors:

- Defines and oversees the implementation of the Company's corporate governance system, monitors and periodically evaluates its implementation and effectiveness at least every three (3) fiscal years, taking appropriate actions to address any deficiencies.
- Ensures the adequate and effective operation of the Company's internal control system, which aims at the following objectives in particular:
 - ✓ the consistent implementation of the business strategy, with the efficient use of available resources,
 - ✓ the identification and management of material risks related to its business activity and operation,
 - ✓ the effective functioning of the internal audit unit,
 - ✓ in ensuring the comprehensiveness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the preparation of reliable financial statements, as well as its non-financial position, in accordance with article 151 of Law 4548/2018,
 - ✓ in compliance with the regulatory and legislative framework, as well as the internal regulations governing the operation of the Company.
- Ensures that the risk management, internal audit and compliance functions are independent of the business areas they audit and that they have the appropriate financial and human resources and authority to operate effectively, as required by their role.
- Understands the Company's risks and their nature and determines the extent of the Company's exposure to the risks it intends to take in the context of its long-term strategic objectives.
- It ensures that the stakeholders important to the Company are identified according to the Company's characteristics and strategy, and that their collective interests and how they interact with the Company's strategy are understood.

3. Composition of the BoD and term of office of members

According to Article 11 of the Company's Articles of Association, the Board of Directors consists of:

(a) Two (2) representatives of the employees of the Company elected (with their substitutes) by direct and universal suffrage, in accordance with article 17 par. 1 of Law 2469/1997 (Government Gazette A' 38), as in force at any given time.

(b) Two (2) members representing the minority shareholders, in accordance with the provisions of article 79 of Law 4548/2018, elected in the manner set forth in article 36 of these Articles of Association.

(c) By representatives of the shareholders elected by the General Meeting in accordance with the provisions of Law 4389/2016 and Law 4548/2018. Shareholders participating in the Extraordinary Meeting provided for in Article 36 of the present Articles of Association for the election of the rest of the Board may not participate in this election. One (1) member of the Board of Directors is proposed for election by the Minister of Finance to the Hellenic Corporation of Assets and Participations S.A., which exercises the rights of appointment or voting at the General Meeting in accordance with Law 4548/2018.

From a corporate governance perspective, the Board of Directors of the Company consists of executive, non-executive and independent non-executive members. The status of the members as executive or non-executive is determined by the Board of Directors. The independent non-executive members are elected by the General Meeting of Shareholders (GMS) in accordance with the provisions of Article 9 of Law 4706/2020.

The executive members deal with day-to-day matters related to the management of the Company, while the non-executive members are generally responsible for the promotion of all corporate affairs.

The number of members of the Board of Directors and their terms of office are defined in the Articles of Association. At the time of approval of these Rules by the Board, the term of office of the members is four years and the maximum term of office may not exceed five (5) years.

Members of the Board may be reappointed or re-elected indefinitely and is freely recalled by those eligible for election or nomination.

Members of the Board of Directors may not be related to each other by blood or marriage up to the third degree, nor may they be in any form contractors or suppliers of the Company or members of the Board of Directors or employees of a company that has a business relationship with the Company. Members of the Board of Directors may, however, be members of the Board of Directors or employees of an enterprise that is affiliated with the Company.

The Company's Nomination Policy takes into account the requirements that must be met with regard to the suitability of the members of its Board of Directors, the obligations established pursuant to Law 4706/2020 and Circular 60/2020 of the Securities and Exchange Commission, the overall legislative framework governing the operation of the Company, including Article 197 par. 4 of Law 4389/2016 and the relevant provisions of the Greek Corporate Governance Code.

4. Replacement of members

If one of the members of the Board of Directors elected by the General Assembly ceases to be a member of the Board of Directors due to resignation, death or any other reason, the following takes place:

(a) The deceased member is replaced as soon as possible by the General Meeting of the Company's shareholders, with the same procedure as the appointment in accordance with the provisions of Law 4389/2016 and Law 4548/2018. Shareholders

participating in the Extraordinary General Meeting provided for in Article 36 of the Articles of Association may not participate in this election.

(b) Until a replacement is appointed by the General Meeting, the Board of Directors may legally meet and decide with the remaining members, who continues to manage and represent the Company without replacing the deceased member(s), provided that their number exceeds half of the members as they had before the occurrence of the above events, and in any case the remaining members are at least three (3).

(c) In any case, the remaining members of the Board of Directors, regardless of their number, may call a General Meeting for the sole purpose of electing a new Board of Directors.

If one of the directors, elected by the employees or the minority General Assembly, ceases for any reason to be a member of the Board of Directors, he is replaced by his substitute and, in the event of his resignation, by his substitute in the manner of his appointment. Until such time as a replacement is appointed in the above cases, the Board of Directors are constituted and function lawfully, paragraphs 4a and 5 of Article 11 of the Articles of Association applying *mutatis mutandis*.

5. Duties of executive members

The executive members of the Board of Directors are responsible for the implementation of the strategy defined by the Board of Directors and regularly consult with the non-executive members of the Board of Directors on the appropriateness of the strategy implemented. In existing crisis or risk situations, as well as when circumstances require measures to be taken that are reasonably expected to have a significant impact on the Company, such as when decisions are to be taken regarding the development of the business and the risks assumed, which are expected to affect the financial position of the Company, the executive members promptly inform the Board of Directors in writing, either jointly or separately, submitting a report containing their estimates and recommendations.

6. Duties of non-executive and independent non-executive members

Non-executive members do not exercise management functions but contribute to the objectivity and transparency of the decisions taken and to the promotion of all corporate issues. They monitor and review the Company's strategy and its implementation and the achievement of its objectives; ensure effective supervision of the executive members, including monitoring and reviewing their performance; review and express opinions on proposals made by the executive members on the basis of existing information.

Non-executive members of the Board of Directors meet at least once a year, or exceptionally when deemed appropriate without the presence of executive members, in order to discuss the performance of the latter. At these meetings, the non-executive members may not act as a *de facto* body or committee of the Board of Directors.

The number of positions that a member of the Board of Directors of the Company

may hold in parallel may not exceed a total of five (5) BoDs, of which the participation in the BoDs of listed companies may not exceed three (3).

In particular the independent non-executive members, in addition to the above:

- ✓ are required to attend the meetings which have as their subject the preparation of the Company's financial statements or any other subject approved by the General Meeting with an increased quorum and majority (article 5 paragraph 3 of Law 4706/2020).
- ✓ Submit, jointly or separately, reports to the ordinary or extraordinary General Meeting of the Company, independently of the reports submitted by the Board of Directors (article 9 paragraph 5 of Law 4706/2020).
- ✓ Provided that the majority of them have agreed to the Board of Directors' authorization to enter into a transaction between the Company and a shareholder of the Company, such shareholder of the Company (a) may participate in the voting of the General Meeting on the same issue and (b) may be counted for the formation of the quorum and majority at such General Meeting (Article 100, paragraph 5 of Law 4548/2018).

7.1 Responsibilities of Board members regardless of their status

The members of the Board of Directors are mainly required to:

- ✓ To comply with the law, the Articles of Association and the resolutions of the General Meeting of Shareholders.
- ✓ To manage the corporate affairs with the sole purpose of promoting the corporate interest.
- ✓ Not to pursue their own interests that are contrary to the interests of the Company.
- ✓ To disclose promptly and adequately to other members their own interests that may arise in connection with transactions of the Company or its affiliated companies.
- ✓ To abstain from voting on matters where there is a conflict between their interests and those of the Company.
- ✓ Disclose to the Board other professional commitments (including significant non-executive commitments to companies and not-for-profit institutions) prior to their appointment and immediately as they arise.
- ✓ Not to compete with the Company on behalf of themselves or third parties by undertaking acts within the Company's scope, unless the permission of the General Assembly has been given.
- ✓ Collectively ensure that the annual financial statements as well as other Company reports (management, corporate governance, remuneration) are prepared and published in accordance with the law.
- ✓ Keep records, books and data as required by law.
- ✓ Refrain from acts of embezzlement and unlawful communication of privileged information in accordance with the law.
- ✓ Not to execute transactions in the Company's shares, debt securities, derivative instruments or other related financial instruments in violation of the law.
- ✓ To disclose to the Company all transactions carried out on their behalf

involving shares of the Company or debt securities or derivative instruments or other related financial instruments, if the total amount of the transactions exceeds €5,000 per year.

- ✓ Have sufficient time to perform their duties.
- ✓ Not to abstain from meetings of the Board of Directors without a valid reason.

7.2 Confidentiality obligation

The members of the Board of Directors and those attending its meetings have the obligation to maintain strict confidentiality with regard to company affairs, regardless of whether or not the information they receive in the course of their duties falls within the scope of corporate secrecy or privileged information. A breach of this obligation (e.g. leak of internal documents such as recommendations, etc.) creates a presumption of harm to the interests of the Company and creates an individual liability towards the Company for any damage caused by such action or omission (e.g. damage to the corporate reputation, sanction by the Securities and Exchange Commission, etc.). The burden of proof that there is no liability rests with the members of the Board of Directors.

8. Meeting of the BoD

The Board of Directors, immediately after its election, meets and constitutes itself, electing from its non-executive members a Chairman and from the executive members a Chief Executive Officer and another executive member.

The functions of the Chairman and the Chief Executive Officer may coincide in the same person, in which case the Board of Directors appoints a Vice-Chairman from among its independent non-executive members.

The Company submits to the Securities and Exchange Commission the minutes of the Board of Directors or the General Meeting of Shareholders regarding the composition of the Board of Directors or the term of office of the Board members within twenty (20) days of such meeting.

The Chairman of the Board of Directors is replaced by the Chief Executive Officer when he is prevented from attending or absent. The CEO is replaced by the second executive member when he is prevented from attending or absent. If the capacity of the Chairman of the Board of Directors is the same as that of the Chief Executive Officer, the independent Vice-Chairman replaces him in the capacity and duties of the Chairman and the second Executive Director in the capacity and duties of the Chief Executive Officer.

9. Responsibilities of the Chairman of the Board of Directors

The position of the President is to organise and coordinate the work of the Board of Directors. The Chairman chairs the BoD and is responsible for the overall effective and efficient functioning and organisation of the meetings of the BoD. The Chairman of the BoD sets the agenda, convenes the members of the BoD, puts items on the agenda at the request of the Chief Executive Officer and chairs the meetings of the BoD.

At the same time, he promotes a culture of openness and constructive dialogue in the conduct of the Board's business, facilitates and promotes the establishment of good and constructive relations between the members of the Board and the effective contribution to the Board's work of all non-executive members, ensuring that the Board members are provided with timely, complete and accurate information.

The Chairman ensures that the Board as a whole has a satisfactory understanding of the views of shareholders and ensures effective communication with shareholders with a view to treating their interests fairly and equitably and developing a constructive dialogue with them in order to understand their positions.

The Chairman leads the Board's evaluation process in cooperation with the Remuneration and Nomination Committee. The Chairman is evaluated by the Board in relation to the performance of his duties, a process headed by the Remuneration and Nomination Committee.

Finally, he has such other responsibilities as are provided for by law and the Articles of Association (e.g. signing financial statements).

10. Responsibilities of the Chief Executive Officer

The Chief Executive Officer is a member of the Board of Directors and this status is not incompatible with that of the Chairman of the Board of Directors.

In addition to what is mentioned under 5, the Chief Executive Officer is the highest executive officer of the Company, heads all its Services, directs its work and takes the necessary decisions, within the framework of the provisions governing the operation of the company, the approved programs and budgets and the decisions of the BoD. Within the framework established by the previous subparagraph, the CEO exercises all the essential managerial powers and any other powers delegated to him by the BoD. In addition, the CEO controls the day-to-day operations of the Company and exercises supervision in the conduct of the business of each Service, having command of the Company's staff.

In accordance with Article 20 of the Articles of Association and the Company's Operating Regulations, the Chief Executive Officer recommends to the Board of Directors:

- a) Carrying out studies, constructing works and awarding supplies and services in accordance with the provisions in force.
- b) Any sale or lease of real estate or movable property owned by the Company.
- c) Waiver of any action brought or of any legal remedy or settlement in or out of court.
- d) Obtaining loans.
- e) Delegation of powers to the second executive member of the Board of Directors.

The Chief Executive Officer proposes, during the meetings of the Board of Directors, the issues to be discussed and is responsible for the implementation of the decisions

of the BoD.

The Chief Executive Officer is also responsible:

1. To directly award and execute ordinary works and supplies and services and to enter into agreements, provided that the total expenditure does not exceed the amount of 150,000 euros, with the possibility of increasing this amount by decision of the BoD of the Company.
2. To arrange for the placement of personnel in the positions stipulated by the Company's regulations and the granting of authorization to them and to the heads of the Executive Directorates, independent Directorates and Services under his/her authority.
3. To decide on the lodging of lawsuits.

The Chief Executive Officer informs the Board of Directors regularly of his actions in this regard.

The Company implements an Evaluation Policy for the Chief Executive Officer and Deputy CEO.

11. Responsibilities of the Deputy Chief Executive Officer

The Deputy Chief Executive Officer, in accordance with the decision of the Board of Directors of EYDAP No.20383/4.9.2019, replaces the Chief Executive Officer in all the duties and responsibilities assigned to the latter, when the latter is unable to attend or is absent. In addition, the CEO may delegate the tasks and responsibilities assigned to him/her to the Deputy CEO after informing the BoD.

The Company has an Evaluation Policy for the CEO and the Deputy CEO.

12. Responsibilities of the Independent Vice-President

In the event that the attributes of the Chairman and the Chief Executive Officer coincide in the same person, the independent non-executive Vice-Chairman of the Board of Directors is responsible, in addition to replacing the Chairman in his non-executive duties, for the coordination and effective communication of the executive and non-executive members of the Board of Directors. In this context, he may convene a special meeting of the executive and non-executive members every quarter in order to provide an update on the Company's operations and current issues. Finally, the non-executive Vice Chairman is required to be available and present at the General Meetings of the Company's shareholders in order to inform and discuss the Company's corporate governance issues when and if they arise.

13. Functioning of the BoD

I. Preparation of meetings

The Board of Directors is convened by its Chairman or his deputy in accordance with the provisions of the Articles of Association and normally meets at the Company's

headquarters whenever required by law, the Articles of Association or the needs of the Company and in any case at least once (1) a month.

The Board of Directors may hold a valid meeting outside the Company's registered headquarters, at another place, either in Greece or abroad, provided that all its members are present or represented at the meeting and no one objects to the holding of the meeting and the taking of decisions.

The Board of Directors may meet by videoconference. In that case, the invitation to its members includes the necessary information and technical instructions for their participation in the meeting.

In any case, any member of the Governing Board may request that the meeting be held by videoconference in his name, if he resides in a country other than that in which the meeting is being held or if there is another important reason, in particular illness or disability.

The Board of Directors may convene at the request of at least two (2) of its members, at the request of the President or his deputy, who must call the meeting of the BoD in time so that it can be held within seven (7) days from the submission of the request. If the BoD is not convened by the Chairman or his deputy within the above deadline, the members who requested the meeting are allowed to call a meeting of the BoD within five (5) days of the expiry of the above seven (7) day period, by notifying the other members of the BoD. Their request must, under penalty of inadmissibility, clearly state the matters to be dealt with by the BoD.

The agenda of the meetings is set by the Chairman and the items on the agenda are included in the invitation sent to the members. The Chief Executive Officer is the rapporteur for the items on the agenda to the Board of Directors.

The agenda is accompanied by the proposals for the items on the agenda together with any relevant documents and supporting material. The proposals submitted to and approved by the Chief Executive Officer are deposited with the Secretariat of the Governing Board, which in turn forwards them to the Chairman of the Board of Directors for inclusion in the agenda.

The notice of the meeting is communicated to the members of the Board of Directors at least two (2) working days before the meeting and clearly includes the items on the agenda. Otherwise, decisions may be taken only if all members are present or represented and no one objects to the decision being taken. If the meeting is to be held outside the Company's headquarters, the notice of the meeting is communicated to the members of the BoD at least five (5) working days before the meeting.

In matters of complexity or matters of great importance, an effort is made to ensure that the proposals and all supporting documents for the relevant agenda item are communicated to members earlier than the above mandatory legal deadlines in order to allow for their study.

In any case, the members of the Board of Directors may, at any time from the entry of the item on the agenda until the decision is taken, request through the Chief

Executive Officer clarifications and/or the submission of any additional information or document related to the item. The officers of the Company must promptly provide the requested information and documents available to them in order to facilitate the members of the BoD in the performance of their duties.

In cases where the decisions of the Board of Directors are taken by circulation, i.e. without a prior meeting of the Board of Directors, the members do not receive an invitation but are informed at least two (2) working days in advance about the items on the agenda.

In order to provide real-time information and to facilitate the connection and briefing of the members of the Board of Directors, technological tools with the necessary security specifications are used, such as, for example, an electronic platform for the circulation of proposals accessible at any time by the members of the BoD, which on the one hand shows the flow of each proposal in detail and on the other hand includes a digital archive of attached documents and supporting material for all items on the agenda..

Each member of the Board of Directors has the right to be informed in writing by the Chairman and the CEO on the management of the Company and generally on the development of the Company's affairs. The Chairman of the BoD works closely with the CEO and the Company Secretary to prepare the meetings of the BoD and to keep the members of the BoD fully informed.

In order to better prepare the work of the Board of Directors and to ensure the proper, complete and timely performance of its duties, a calendar of meetings and an annual action plan is prepared at the beginning of each calendar year, which may be revised according to the needs of the Company and/or when circumstances require it.

II. Discussion of the items on the agenda

The Board of Directors constitutes a quorum and meets validly when more than one-half of the Directors are present or represented, but in no case may the number of Directors present or represented be less than three (3). In determining the number of quorum, any resulting fraction is omitted.

At meetings of the Board of Directors whose subject is the preparation of the financial statements of the Company, or whose agenda includes matters for the approval of which the General Meeting is required to adopt a resolution with an increased quorum and majority in accordance with Law 4548/2018, all members of the BoD participate in person or are represented.

Each member may only validly represent one other member. Representation on the Board of Directors may not be entrusted to persons who are not members of the BoD.

At the beginning of the meeting, the Chairman of the Board of Directors checks whether there is a quorum. If during the meeting the quorum required for a lawful meeting of the BoD is not present, the Chairman closes the meeting. However, decisions taken during the meeting and as long as a quorum was present are legal and valid.

Scientific advisors, legal or not, and experts, as well as the Director of the Company's

Legal Services, may attend the meetings of the Board of Directors without the right to vote, as long as they are invited by the President or the BoD, and in the event of the Director of the Company's Legal Services being prevented from attending or absent, another lawyer designated by the President of the BoD attends.

When the discussion of each item is completed, it is put to the vote for a decision. Voting is always by roll call and by public vote.

Decisions of the Board of Directors are validly taken by an absolute majority of the members present and represented. In the event of a tie, the vote of the Chairman of the BoD does not prevail.

If a matter relates to the private interests of a Board member or if there is another conflict of interest as defined in the Company's policies or the law with respect to that member, that member is excluded from making the relevant decision and/or from discussing the matter.

III. Minutes

The discussions and decisions of the Board of Directors are summarised in a special register which may also be kept electronically. At the request of a member of the BoD, the Chairman is obliged to enter a summary of the opinion of that member in the minutes. The Chairperson is entitled to refuse to record an opinion which relates to matters manifestly not on the agenda or the content of which is manifestly contrary to morality or the law. A list of the members of the BoD present or represented at the meeting is also entered in this register.

The minutes of the meeting of the Board of Directors are signed by the attending members or their representatives by handwritten or digital signature. If a member refuses to sign the minutes, a note to this effect is made in the minutes. Copies and extracts of the minutes are formally issued by the Chairman or his deputy without further certification.

The drawing up and signing of minutes by all the members of the Board of Directors or their representatives is equivalent to a decision of the BoD, even if no meeting has been held beforehand (by circulation). This rule applies even if all the members or their representatives agree to have a majority decision recorded in minutes without a meeting. The minutes are signed by all members of the board by handwritten or digital signature.

The minutes are confirmed in their entirety at the next meeting. In urgent cases, same-day ratification may be carried out. Any member of the Board of Directors may propose a verbal amendment or addition before the minutes are ratified, which is implemented only if the BoD agrees. The ratification procedure is not followed in the case where minutes are drawn up without a meeting having been held beforehand (by circulation).

Copies of the minutes of the Board of Directors' meetings, for which there is an obligation to register them in the G.E.M.I., in accordance with article 12 of Law 4548/2018 or other relevant provisions, are submitted to the competent G.E.M.I. within twenty (20) days from the meeting of the BoD.