



**REPORT OF THE INDEPENDENT NON-EXECUTIVE MEMBERS OF THE BOARD OF  
EYDAP SA  
TO THE ANNUAL ORDINARY GENERAL MEETING OF THE COMPANY'S  
SHAREHOLDERS**

This Report was prepared jointly by the independent non-executive members of the Board of Directors (henceforth, "Board") and is submitted to the Ordinary General Meeting of the shareholders of EYDAP SA (henceforth, "Company") which will take place on 30.8.2022, in accordance with article 9 par. 5 of Law 4706/2020 and the relevant guidelines of the Capital Market Commission (Q & A no. prot. 428/21.2.2022).

Of the thirteen (13) members of the current Board of Directors. of the Company, the four (4) are independent non-executive members. The membership of the fourth independent member in the person of Mr. Angelos Amditis was acquired in the context of compliance with article 5 par. 2 of Law 4706/2020 by decision of the 39th Ordinary General Meeting of shareholders that took place on 25.6.2021 following the no. 20885/2.6.2021 of the Board of Directors' Decision by which it was established by the Board of Directors, following a relevant recommendation of the Remuneration and Nominations Committee, that the conditions of independence have been fulfilled in his person.

The Board of Directors of the Company meets regularly at least on a monthly basis and on an extraordinary basis whenever required. For better preparation of the work of the Board of Directors as well as for the correct, full and timely fulfillment of its duties, a calendar of meetings and an annual action plan is drawn up at the beginning of each calendar year, which can be revised according to the needs of the Company and/or when circumstances require it. The Operating Regulation of the Board of Directors, which was approved with the no. 20960/15.12.2021 Decision of the Board of Directors regulates the details of how the members of the Board of Directors are invited, meet and take decisions.

During the 2021 fiscal year, the Board of Directors of the Company held thirty-four (34) meetings (no. 1394th/13.01.2021 to 1427th/17.12.2021). The independent non-executive members of the Board of Directors participated in the meetings of the Board of Directors and its Committees acting with independence, transparency and a sense of duty. As part of their supervisory responsibilities, the independent members conducted a thorough examination of the proposals submitted to the Board of Directors, provoking constructive debate and openly expressed their views taking into account all the information available to the Board based on the interests of the Company's shareholders and employees.

With the aim of implementing the best corporate governance practices, two new Committees of the Board of Directors, the Strategy and Innovation Committee and the Risk Management Committee, were established in 2021, following the proposal of the independent non-executive members of the Board of Directors. The Strategy and Innovation Committee is informed, analyzes, evaluates and advises the Company's Management and its Board of Directors on matters of the Company's general strategy but also specifically on matters of strategy in new technologies and innovation. In the context of ensuring the adequate and effective operation of the Company's Internal Control System, the Risk Management Committee assists the Board of Directors in the recognition and management of the essential risks associated with the business activity and operation of the Company.

In the context of the obligations arising from their status and in accordance with article 7 of Law 4706/2020, the independent non-executive members unanimously decided the following:

- During the 2021 fiscal year, the executive members of the Board of Directors effectively managed the corporate affairs with adherence to the approved corporate goals and successfully implemented the Company's strategy and operational planning including the final settlement of long-time outstanding issues with the Greek State, such as:
  - The renewal of the exclusive right to water supply and sewerage in the area of responsibility until 2040.
  - The determination of the reasonable transaction price in relation to the raw water supplied by the EYDAP Assets Company to EYDAP during the period 12.10.2013 – 31.12.2020.
  - The determination of the sale price of raw water from the Greek State to EYDAP for the next 20 years lower by approximately 40% compared to the price paid by EYDAP from 2004 to 2013.
  - The agreement for the signing of the operation and maintenance service contract of the External Water Supply System (EWS) for three (3) years.
- In 2021, the effective supervision of the executive members was strengthened as well as the monitoring of the implementation of the Company's strategy through a) the functioning of the Board's Committees in which the independent members participate, b) the establishment of Regulations and Policies such as the Evaluation Policy of the executive members and c) the adoption of practices such as the preparation of questionnaires regarding the effectiveness of the Board of Directors and

investment evaluation, the strategic profile of the Board of Directors and the individual and collective assessment of suitability and development. It should be noted that the evaluation of the executive members is also achieved in the context of verification of the degree of achievement of the objectives which takes place annually in accordance with the approved Remuneration Policy of the Company in order to pay the variable remuneration of the executive members of the Board of Directors.

- The Company has set strategic ESG targets, aiming to improve continuously its relevant indicators. In 2021, through the materiality analysis carried out by the Company, the factors linked to EYDAP SA's ability to create value were determined and are, therefore, material for the company and its shareholders. EYDAP SA is the first public company to incorporate SASB standards into its Sustainable Development Report, which demonstrates the Company's commitment to full and continuous alignment with new practices.
- In 2021, the Company ensured the adaptation of its corporate governance framework to the provisions of Law 4706/2020 as well as to the decisions of the Capital Market Commission issued under its authority. The Greek Corporate Governance Code was adopted for companies with values listed on the stock market and a series of Regulations and Policies were introduced that contributed decisively to the strengthening of corporate governance and the Internal Control System.

Finally, the independent non-executive members of the Board of Directors confirm their agreement with the content of the Annual Management Report of the Board of Directors. and the 2021 Corporate Governance Statement, which are included in the Annual Financial Report for the year ended 12/31/2021 and is available on the Company's website (<https://www.eydap.gr/Investors/EconomicResults/>).

**Athens,**

**The Independent Non-Executive Members of the Board of Directors of EYDAP SA**

**Aikaterini Beritsi**

**Michael Stavroulakis**

**Alexandros Nasoufis**

**Angelos Amditis**