

# CubelQ Corporate Governance & Internal Audit Policy

Version 1

Release 1.30.10.EN

Published: January 2012

Last Update: September 2017

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## 1 Revision History

Date modified	Release	Prepared By	Changes made
11/2011	0.90	Ddg	Initial internal release
12/2011	0.99	Ddg	Final internal release
01/2012	1.00	Ddg	First public release
02/2014	1.10	Ddg	Review Content, cosmetic changes
09/2016	1.20	Ddg	Update on Company Management Review Content, cosmetic changes
11/2016	1.20.10	Ddg	Review Content, cosmetic changes
09/2017	1.30.10	Ddg	Typo and terminology corrections

## 2 Introduction

CubelQ Limited is dedicated to providing our customers with excellent solutions and services and our employees with a safe, creative and productive work environment.

The CubelQ Limited is incorporated as a limited liability company as defined in Greek State Law N.3190 / 1955 and its amendments in force.

CubelQ Limited is a private company not listed in Athens Stock or other Stock Exchange. As a private company, it is not obliged by law to adopt the Principles of Corporate Governance as they are defined in the applicable Greek law or international practices, where these can be applied.

However, CubelQ Limited and its subsidiaries and affiliates (collectively, the "Company") recognizes the need to establish and maintain corporate governance policies and practices which reflect the regulatory environment and the expectations of shareholders, associates, customers and all others who deal with the Company.

The Company implemented and continuously maintains a Corporate Governance Policies and Practices set of documents which demonstrate our commitment and describe company's main corporate governance policies and practices. The Company has adopted the Principles of Corporate Governance as they are defined in the applicable Greek law, EU directives and international practices.

Corporate Governance, as a set of rules, principles and control mechanisms, defined in policies documentation, under which the Company is organized and managed aims to:

- (a) Safeguard the interests of shareholders
- (b) Safeguard the interests all those associated with Company's operation including its Customers
- (c) Provide transparency to the investment community

The ultimate goal of the Company is to link the principles of corporate governance in the broader corporate culture, and as good governance is not limited to formal observance of the law, but demands personal responsibility and reliability to trigger responsibility and reliability to all Company's employees.

Company's Corporate Governance, rules and principles are relating and resulting the development of control mechanisms in all Company's activities and do not relate only to (a) the formation and responsibilities definition of the Company Management or (b) the formation and operation of the individual committees.

Company's Corporate Governance principles are included in this document, the drafting of which was completed in January 2012.

### **3 Company Management**

The Company is managed by the following bodies:

- (a) the General Assembly of Shareholders – Partners
- (b) the Company Administrator(s)/Director(s)
- (c) the Executive Committee, per case

## 4 Audit System

### 4.1 Internal Audit System

As part of Corporate Governance, Company's Management determines the corporate policy, including the policy to address the potential business risks, while it is responsible for the internal audit system.

Obligation of Company's Management is the regular review of the internal audit system to ensure its effectiveness.

The Company's internal audit system comprises all procedures implemented by Company's Management and the Company's Personnel, in order to ensure the effectiveness and efficiency of corporate operations, Company's reliability of financial reporting and Company's compliance with the current laws, legislation and regulations.

Effective internal audit system contributes to:

- Safeguarding of Company's asset
- Prevention and detection of fraud
- Ensuring the reliability of financial statements
- Compliance with laws and regulations
- Preservation of the shareholders' investment

The Company can established mechanisms for the creation of Internal and External Audit Procedure, the Audit System.

### 4.2 Internal Audit Procedures

Company's Management is capable to recommend an Independent Internal Audit Department (IIA) in full compliance with the current legislation in order to strengthen Company's internal control mechanisms.

The Independent Internal Audit Department is an independent from all other business units of the Company, it is reporting to the General Assembly and it is administratively attached to the company's Administrator(s)/Director(s).

Independent Internal Audit Department tasks are defined in the IIA stature which is based on the International Professional Standards of the Institute of Internal Auditors (IIA)<sup>1</sup>.

IIA intends to conduct Operational, Administrative, Financial Audits and Compliance Audits, scheduled or ad-hoc, in accordance with generally accepted internal audit principles and international professional

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<sup>1</sup> International Standards for the Professional Practice of Internal Auditing (Standards), 2012 The Institute of Internal Auditors - IIA

standards. It is responsible for identifying all auditable activities and their related risk factors, assess their significance and define their appropriate mitigation.

Scheduled annual audit plan is submitted for approval to the company's Administrator(s)/Director(s) and it is presented to the Company General Assembly together with the audit report of the previous year.

Audit reports are submitted to each Business Unit Directors for comments and for defining appropriate and realistic action plan. Audit reports findings and Company's Management proposals and comment are submitted to the Audit Committee.

Main tasks of the Internal Independent Audit Department are:

- Evaluation of the implementation degree and effectiveness of company's policies and procedures that have been established by the Business Units and / or Company's subsidiaries
- Contribution for ensuring the accuracy, reliability, and validity of the financial, administrative, and operational information
- Contribution to the evaluation of the degree of effective use and adequate conservation of all available corporate resources in the most expedient and economical way (with the aim of achieving the strategic goals set by Management)
- Monitoring for the adoption and implementation of Company's Management decisions
- Monitoring of the efficiency and effectiveness of the internal audit system, its improvement and the continuous and reliable update to the Company's Management bodies on the status and progress of the auditing procedures
- Monitoring of the installation of new Information Technology (IT) systems and evaluation of their implementation progress and their consistency with respect to the already stated objectives and scopes
- Contribution to ensure the detections and appropriate treatment of significant for the Company legislative and regulatory issues

The following conditions have to be met to ensure the effective operation of internal audit:

- Adequate safeguarding of Internal Audit Department independence from all other departments of the Company and ensuring the immediate and unimpeded access to company's Administrator(s)/Director(s).
- Ensuring unrestricted access to all data and information necessary for the fulfillment of Internal Audit mission
- Establishment of detailed, written auditing targets, audit schedules, audit procedures and appropriate methodologies for audits and inspections
- Establishment of compliance control mechanisms (follow up) to the suggestions of audits of any nature (internal auditors, external auditors, supervisory authorities, tax authorities, etc.) and update of the Company's Management on the progress of corrective actions.

### 4.3 External Audit Procedures

Company's Management has the capacity to cooperate with Independent External Auditor (IEA), in full compliance with the current legislation, for strengthening the external audit mechanisms of the Company.

The statutory External Auditor or External Auditing firm is appointed by the General Assembly on the recommendation of the company's Administrator(s)/Director(s).

The statutory External Auditor or External Auditing firm is reporting to the General Assembly and the company's Administrator(s)/Director(s) any issue related with the progress and the results of the audit and has to deliver a special report on the weaknesses of the internal audit system, in particular with the shortcomings of procedures relating to financial reporting and the preparation of financial statements.

Furthermore, the external auditor has to:

- Confirm to the General Assembly, annually in writing his status of independence against the audited entity
- Communicate to the General Assembly, every year, on the nature and the extent of other services provided to the audited entity, in addition to carrying out statutory audit services
- Inform and consult with the General Assembly for each threat of his independence, as well as the measures taken to limit the risk of undermining his independence.

Finally, the statutory External Auditor or the Chief Auditor of the External Auditing firm cannot take any position in the administration of the audited entity, before the expiration of two years from the date he ceased to act in that capacity.

\*\*\*\* EOF \*\*\*\*