



# Group Enterprise Risk Management Framework (ERM)

Version: 1<sup>ST</sup> / 30.11.2021



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## 1. Introduction

Navarino Group, is a maritime technology Group, operating across 6 nations (UK, Greece, Germany, Norway, Singapore, and Cyprus).

Navarino develops and provides a wide range of advanced connectivity technologies and innovative IT solutions in the maritime sector such as bandwidth optimization and management of a vessel's IT infrastructure.

The Group applies an Enterprise Risk Management ("ERM") approach as an integral part of its management philosophy (the approach is based on the 2017 COSO Enterprise Risk Management Framework as well as international best practices).

The key benefits of the ERM Framework are:

- Assists Management to identify new opportunities and unique challenges.
- Brings consistency and maturity to risk management and aligns risk-taking to risk appetite.
- Enforces a culture of integrity, transparency, accountability, and continuous improvement.
- Improves quality, discipline, and decision-making, and supports responsible autonomy in the Group.
- Reduces performance variability, improves resource deployment, and enhances enterprise resilience.
- Ensures clear, consistent, and integrated risk reporting that shows the level of risks and the effectiveness of controls.
- Confirms that the business operates within risk appetite, and if it does not, reveals the underlying issues and action needed.

## 2. Objective

This document serves as a broader ERM framework structure that encapsulates, in a single structured document, the Risk Management Process and underlying methodology, respective Roles & Responsibilities and the Risk Appetite of the Group. This document serves the following main objectives:

- Describes an integrated enterprise-wide risk management framework for implementation and adherence, in order to instill and encourage risk-oriented decision-making within the Group.
- Sets out the Risk Appetite of the Group. This allows the Group to measure the appropriate risks, to monitor them and to set in place the appropriate control measures and actions.
- Promotes a risk identification and monitoring structure, with the aid of a risk register and the risk assessment methodology.
- Allows for periodic reporting of the risk exposures to Management and the Board of Directors (BoD) in order to be well aware of the risk their business is exposed to, so appropriate decisions can be taken to mitigate them.

## 3. Scope

The ERM Framework is considered a group wide policy and applies to all organizational structures, functions and employees as well as to all business processes, including governance, strategy, objective-setting, and day-to-day operations.



The ERM Framework supports the application of the Risk Management Process (see [section 7](#)) which is reviewed and updated annually if and as required.

## 4. Risk management terms and definitions

### [4.1 Risk](#)

Events will occur and affect the achievement of the strategy and business objectives. The risk is divided into Inherent and Residual Risk.

### [4.2 Inherent Risk](#)

The risk in the absence of any direct or focused actions by Management to alter its severity. The severity of the inherent risk is typically assessed in terms of impact and likelihood.

### [4.3 Residual Risk](#)

The risk remaining after Management has taken action to alter its severity.

### [4.4 Impact](#)

The extent to which a risk event might adversely affect an entity.

### [4.5 Likelihood](#)

The possibility that a risk event will occur in a predetermined time period.

### [4.6 Risk Register](#)

A listing of the risks an entity faces. Depending on the number of individual risks identified, organizations may structure the risk register by category to provide standard definitions for different risks.

### [4.7 Enterprise Risk Management](#)

A process, effected by Management and personnel, applied in strategy setting and across the entity, designed to identify potential events that may affect the entity, manage risk to be within risk appetite and to provide reasonable assurance regarding the achievement of the entity's objectives.

### [4.8 Risk Tolerance](#)

The acceptable variation in performance. It describes the range of acceptable outcomes related to achieving a business objective within the risk appetite.

### [4.9 Risk Appetite](#)

The types and amount of risk, on a broad level, the entity is willing to accept in its pursuit of value.

### [4.10 Risk Management Process](#)

A framework for the actions that need to be taken to manage risk; refers as the risk management process. Principles and procedures determining the Group's Risk Management Process.



## 4.11 Control

An action taken by an entity to manage the risk and increase the probability of achieving its objectives. Indicative controls are the following: Policies & Procedures, Budget monitoring, Reviews / reconciliations performed by the Managers (e.g. Bank reconciliations, reviews of invoices / accounting entries, etc.)

## **5. Governance**

### 5.a 5.1 Objective

The Group establishes clear Roles & Responsibilities in regard to the application of the ERM framework in order to ensure that:

- The most important risks are evaluated periodically.
- The necessary measures are taken for the effective response to the recognized risks, having assessed the cost and benefits.
- A Risk Register is maintained in order to identify, analyze, control, manage and monitor any form of potential risk.
- The action plans for mitigating risks are monitored periodically.
- Risk Management is an integral part of all the Group's decision-making processes.

### 5.2 Roles & Responsibilities

#### 5.2.1 Group's Board of Directors (BoD)

The Group's Board of Directors approves the ERM framework and any amendments to that as part of the Group's overall risk management strategy. Within the context of its responsibilities, the Board of Directors:

- Ensures the adequacy and effectiveness of the Internal Control System which aims, among other things, at the identification and management of the significant risks associated with the business activity.
- Supervises the Risk Management Process to ensure that it is in line with the business strategy.
- Monitors the Group risk-taking activities and risk exposures.
- Engages in discussion with Management in order to understand the changes to business context that may impact the strategy and its linkage to new, emerging, or manifesting risks.
- Reviews and approves the annual risk management report (Annual Report), submitted by the Chief Executive Officer (CEO).

#### 5.2.2 Chief Executive Officer (CEO)

The Group CEO is responsible for the implementation of the decisions of the Board of Directors regarding the ERM framework. Within the context of his/ her responsibilities, the CEO:

- Reviews the present ERM framework and requests its approval to the Board of Directors (BoD).
- Ensures the effective implementation of the framework within the Group.
- Ensures that the Group disposes the appropriate methodologies, tools, models as well as the suitable and sufficient human resources to identify, evaluate, monitor, and mitigate risks.
- Receives and reviews the Annual Report from the Head of Risk Management.
- Submits the Annual Report to the Board of Directors.



- Reports to Group Board of Directors on the risk performance of the Group on an annual basis.
- Ensures that the Head of Risk Management is provided with all the necessary information in order to enable the monitoring of the implementation of the ERM framework.

### 5.2.3 Senior Managers

- Support the CEO on the implementation of the ERM framework.
- Evaluate on an annual basis the potential risks in their area of responsibility, identify appropriate controls / actions to mitigate risks and have an active role in the finalization of the Risk Register.
- Consider mitigation actions to further mitigate risks and draft respective action plans.
- Develop and monitor Key Risk Indicators (“KRIs”) for the key risks of the Group.
- On an ongoing basis, they monitor risk performance in the context of their regular oversight activities
- On a quarterly basis, they prepare risk update reports summarizing (1) key observations (e.g. significant risk events/ indicators that a risk has materialize or changes in the business context) and (2) status of key risk management actions' implementation and submit them to the Head of Risk Management and the CEO. These reports are also archived in a dedicated section in the Company's Sharepoint.

### 5.2.4 Head of Risk Management

- Supports and consults the CEO and the BoD in the development, consistent implementation, and revision of this Framework.
- Coordinates and supports the annual risk identification and assessment process.
- Maintains the Risk Register, aiming at the identification, analysis, control, management, and monitoring of risks.
- Informs the Group's CEO and Senior Management and contributes to the strengthening of the culture on risk management.
- Supports the ongoing monitoring activities and is responsible for the consolidation, summarization, and preparation of the annual risk report.

### 5.2.5 Group Employees

Employees are responsible for reporting immediately to management any risks that become apparent and may significantly impact the Group's:

- Sustainability
- Profitability
- Consumer or employee safety
- Regulatory or Legal obligations
- Environment

## 6. Risk appetite

### 6.1 Risk Appetite Statements

Risk Appetite Statements describe how the Group evaluates strategic decisions and communicates its strategy to key stakeholders and departments in relation to risk-taking. The aim is not to control or avoid all risks, but to seize opportunities and add value to the Group, while at the same time



seeking to reduce or mitigate threats in order to maximize the overall likelihood of achieving the Group's mission and objectives.

The Group has defined the following Risk Appetite Statements per risk pillar:

Risk Pillar	Risk Appetite Statement
<p><b>Governance</b></p>	<p>The reputation of Navarino is an important asset of the Group and it is crucial for the success of its business activity and the development of its operations. The loss of its good reputation could lead to a loss of customers, having an adverse impact on the business activity, the financial situation, the operations and the prospects of the group.</p> <p>The Group does not wish to be involved in activities or situations that would negatively affect its reputation. In this direction, its operation is sought in legal and ethical manner, applying an effective corporate governance framework.</p>
<p><b>Strategy &amp; Planning</b></p>	<p>Navarino Group aims to be the benchmark technology Group of the maritime world, while developing, distributing, and supporting connectivity services and innovative IT solutions that add true value to our customers. Also, we intend to create strong, long-term relationships of mutual benefit. In this context, the Group:</p> <ul style="list-style-type: none"> <li>▪ Assumes realistic risks in terms of business investments and avoids making decisions that put growth above its sustainable operation or do not contribute to profits.</li> <li>▪ Aims to achieve a steady increase in market share.</li> <li>▪ Aims at maintaining capital adequacy and avoiding any lack of capital that may lead to the Group's ineffective operation or to the incomplete execution of the Business Plan.</li> <li>▪ Wishes to have sufficiently diversified sources of revenue and avoid high concentration of sales in specific products and customers.</li> <li>▪ Wishes to limit the market risk arising from the volatility of key product prices.</li> <li>▪ Wishes to maintain a sustainable supply chain.</li> </ul> <p>Aims to continuously comply with Governance, Environment, Society (ESG) issues to ensure sustainable financing.</p>
<p><b>Operations &amp; Infrastructure</b></p>	<p>The Group has a low-risk appetite for activities that affect its operational performance. More specifically, the Group aims to:</p> <ul style="list-style-type: none"> <li>▪ Minimize the impact on any business operation, in the event of a disaster.</li> <li>▪ Minimize inventory costs that affect Group's profits.</li> <li>▪ Minimize credit risk by working with customers who have good reputation and financial substance.</li> <li>▪ Maintain sufficient liquidity to meet its cash obligations, without disproportionate additional costs.</li> </ul> <p>Avoid human or procedures errors and limit their associated impact.</p>





Risk Pillar	Risk Appetite Statement
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**Compliance**

The Group obeys the letter of laws and regulations. In this context, the Group:

- Seeks full compliance with the applicable legal and regulatory framework from time to time.
- Avoids the provision of inaccurate / incomplete / misleading information to any interested party, which could influence its decision.

Does not tolerate loss, or otherwise unauthorized or accidental disclosure of a customer or other sensitive information.

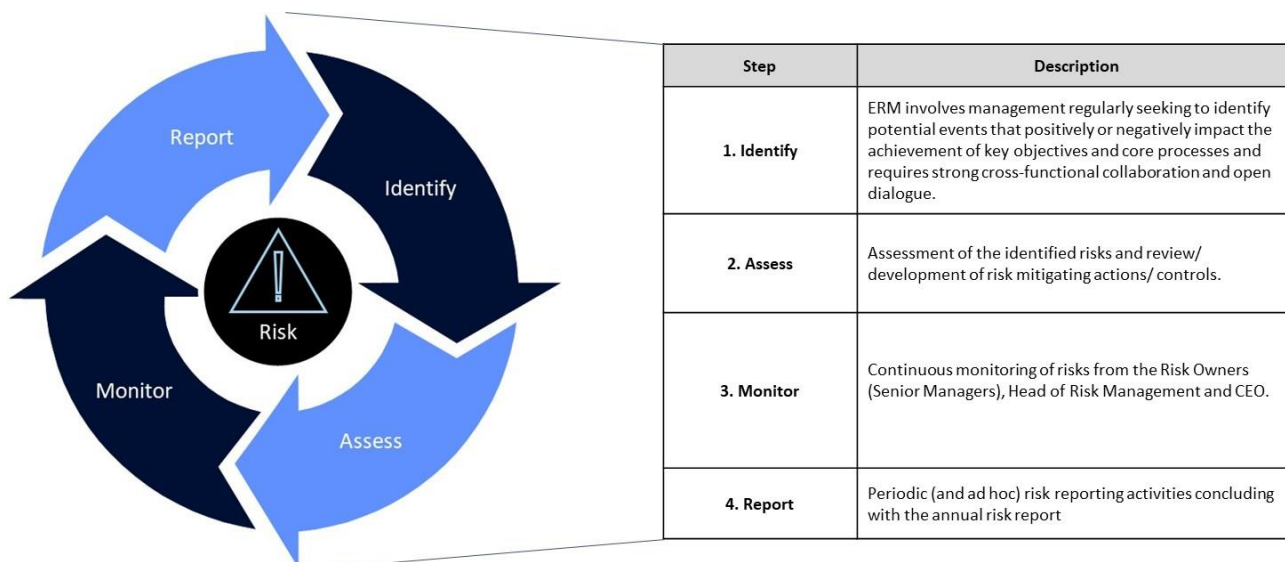
**Reporting**

The Group has a low-risk appetite for inaccuracies / errors that affect the decisions Of its stakeholders. Our objective is to prepare accurate and complete financial reports to interested parties.

## 7. Risk management process

### 7.1 Overview of the Risk Management Process (RMP)

The RMP involves a logical and structured way of managing risks within the Risk Appetite of the Group. The main actions that need to be performed are set out below:



*Shape 7 (a): Risk Management Process*

### 7.2 Risk identification

ERM involves management regularly seeking to identify potential events that positively or negatively impact the achievement of key objectives and core processes and requires strong cross-functional collaboration and open dialogue.



The Group's environment is reviewed for the identification of potential events. The dimensions of the Group's environment include the external and the internal environment and are further detailed as follows:

### **External Environment categories and key considerations**

- **Political:** The nature and extent of government intervention and influence, including tax policies, labor laws, environmental laws, trade restrictions, tariffs, and political stability.
- **Economic:** Interest rates, inflation, foreign exchange rates, availability of credit, GDP growth, etc.
- **Social:** Customer needs and expectations, population demographics, etc.
- **Technological:** R&D activity, automation, and technology incentives, rate of technological changes or disruption.
- **Legal:** Laws (for example, employment, consumer health & safety), regulations, and/ or industry standards.
- **Environmental:** Natural or human-caused catastrophes, ongoing climate change, changes in energy consumption regulations, attitudes towards the environment.

### **Internal Environment categories and key considerations**

- **Capital:** Assets, including cash, equipment, property, patents.
- **People:** Knowledge, skills, attitudes, relationships, values, and culture.
- **Process:** Activities, tasks, policies or procedures, changes in management, operational and supporting processes.
- **Technology:** New, amended, and/ or adopted technology.

Risks are categorized in five key pillars:

1. Governance
2. Strategy & Planning
3. Operations & Infrastructure
4. Compliance
5. Reporting

On an annual basis, the Group's Head of Risk Management initiates the process by sharing the existing Risk Register (i.e., the risk register formulated during the previous year) to the Senior Managers (that are Risk Owners of the various risks).

The Senior Managers review the existing risks in their respective areas of responsibility and are responsible for updating them (adding new or emerging risks and/ or revising or deleting existing risks). Key sources of new, emerging or changing risks to consider include:

- **Changes in strategy and/ or business objectives** (e.g. the Group adopts a new strategy supported by business objectives or amends an existing business objective)
- **Changes in the internal or external environment, i.e. the "business context" of the Group** (e.g. changes in customer preferences, industry developments, technological advancements, etc.)
- **Changes in the business context that may not have applied to the Group previously** (e.g. developments in the regulatory framework may create new obligations for the Group)
- **Acquiring new information that allows for identifying risks that were previously unknown** (e.g. susceptibility for quality issues in specific products offered by the Group, considerations in foreign locations that weren't known at the time of market entry, etc.)
- **Changes in business context, risk appetite or business assumptions that alter existing risks** (e.g. changes in the assumptions used for business planning)



The Head of Risk Management collects the inputs of the Senior Managers and facilitates an internal workshop to discuss, confirm, validate, and finalize the results of the risk identification exercise collectively with the CEO and the Senior Managers.

Upon the end of the workshop, the final risk register is updated accordingly, based on the cross-functional feedback from the Senior Managers and CEO’s knowledge and experience on the matters that concern the Group’s strategy, external environment (e.g., competition, market demands, etc.) and internal management.

The final risk register is signed-off by the CEO and submitted to the Head of Risk Management to initiate the Risk Assessment phase.

### 7.3 Risk Assessment

#### 7.3.1 Methodology snapshot

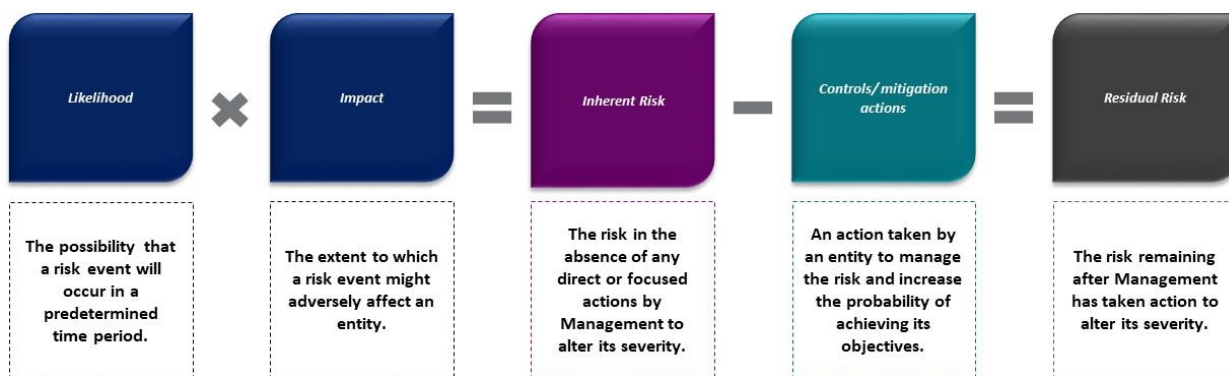
Risks are evaluated at two levels:

- Inherent Risk level, before management controls have been considered and
- Residual Risk level, the gross risk rating combined with an assessment of management controls.

Each risk is assessed in two dimensions:

- Likelihood, probability of occurrence and,
- Impact, the extent to which a risk event might adversely affect the Group.

The methodology is summarized below:



Shape 7 (b): Risk Assessment methodology snapshot

The risk assessment exercise takes place annually, after the completion of the risk identification phase with the update of the risk register, based on the methodology that is further detailed in the following sub-sections.

Under the ownership of the Head of Risk Management, with the support of the Risk Owners, additional participants in the assessment of each risk may be designated for management and/ or employees that is deemed affected by the risk’s potential materialization.

The Head of Risk Management prepares and submits to each participant an individual working file (with the risks that he/ she must assess) along with guidance material explaining the methodology. 1-1 meetings with the participants may be scheduled by the Head of Risk Management as needed.

Each risk assessment participant proceeds to record for each risk the following information:



- Risk likelihood and impact (across the impact dimensions defined in the methodology)
- Key mitigation actions/ controls that currently exist
- Effectiveness of mitigation actions/ controls recorded

The Head of Risk Management collects the inputs of the risk assessment participants, consolidates the results in a single risk register and facilitates a workshop to discuss, confirm, validate, and finalize the results of the risk assessment exercise collectively with the CEO and the participants allowing for cross-functional visibility and alignment.

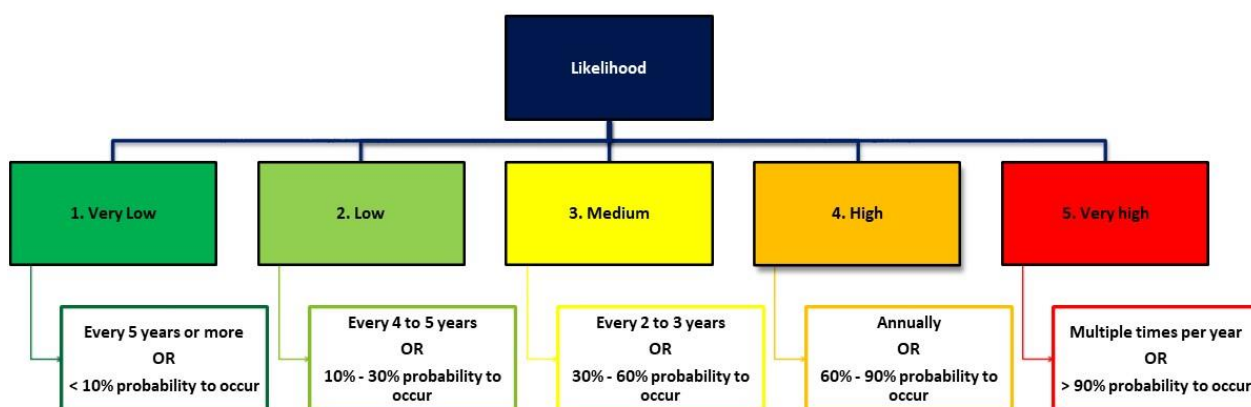
Upon the end of the workshop, the risk assessment results are updated accordingly, based on the discussion outputs and the CEO’s knowledge and experience on the matters that concern the Group’s strategy, external environment (e.g., competition, market demands, etc.) and internal management.

The final risk register with the risk assessment results is signed-off by the CEO and submitted to the Head of Risk Management.

### 7.3.2 Inherent risk

In the context of assessing the inherent risk level, each risk is assessed in terms of likelihood and impact.

Specifically, likelihood is assessed based on the scale below:



Shape 7 (c): Risk likelihood scale

Risk impact is assessed across the following key dimensions and based on the scale below:

- Financial
- Reputational
- Operational
- Regulatory/ Legal
- Sustainability
- Business/ Strategic

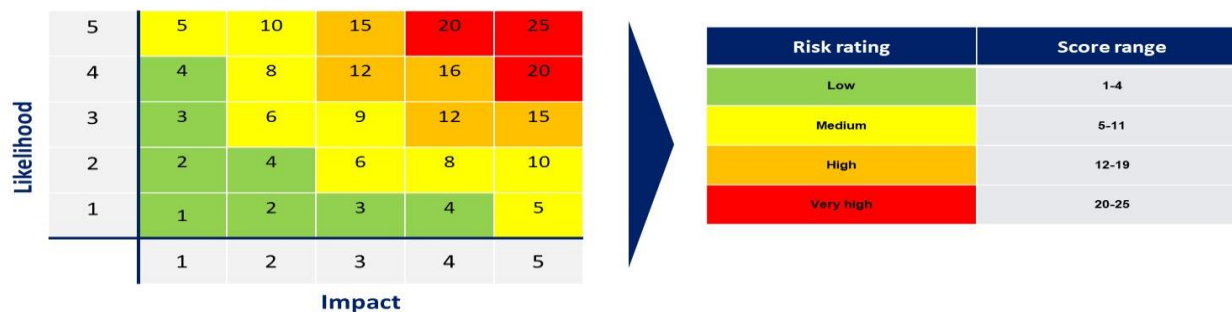


Score	Financial	Reputational	Operational	Regulatory/ Legal	Sustainability	Business/ Strategic
1. Minor	The occurrence of the risk has impact on revenue less than \$78,000	The occurrence of the risk has an incidental impact on Company's reputation.	The occurrence of the risk results in limited difficulties that do not affect the Company's operations.	There are no legal obligations. Non-correlation with matters falling within the competence of regulatory authorities. Recommendations for compliance.	The occurrence of the risk has little impact on the Company's sustainable development.	The occurrence of the risk affects the achievement of the Company's strategic objectives in little or no way.
2. Low	The occurrence of the risk has impact on revenue between \$78,001 - \$190,000	The occurrence of the risk has a limited impact on the Company's reputation.	The occurrence of the risk results in some difficulties of low importance in the Company's operations.	Creation of minimum legal obligations. Minor regulators' attention.	The occurrence of the risk has limited impact on the Company's sustainable development.	The occurrence of the risk has little impact on the achievement of the Company's strategic objectives.
3. Moderate	The occurrence of the risk has impact on revenue between \$190,001 - \$390,000	The occurrence of the risk quite affects the Company's reputation.	The occurrence of the risk results in difficulties of moderate importance in the Company's operations.	Moderate legal obligations. Investigations by regulators.	The occurrence of the risk quite affects the Company's sustainable development indicators.	The occurrence of the risk will have a moderate impact on the achievement of the Company's strategic objectives.
4. High	The occurrence of the risk has impact on revenue between \$390,001 - \$700,000	The occurrence of the risk has a significant impact on the Company's reputation.	The occurrence of the risk results in significant difficulties in the Company's operations.	Challenge of management's actions. Significant legal obligations. Fines imposed by regulators.	The occurrence of the risk has a significant impact on the Company's sustainable development indicators and operations.	The occurrence of the risk will have a significant impact on the achievement of the Company's strategic objectives.
5. Extreme	The occurrence of the risk has impact on revenue more than \$700,001	The occurrence of the risk has a great impact on the Company's reputation.	The occurrence of the risk results in the Company's inability to continue its operations.	Possibility of prosecution in the management. Possibility of massive lawsuits against the company. Imposition of sanctions/ heavy fines by regulators.	The occurrence of the risk has a great impact on the Company's sustainable development indicators and operations.	The occurrence of the risk will have a great impact on the achievement of the Company's strategic objectives and may threaten the long-term viability of the Company's business model.

Shape 7 (d): Risk impact scale

Inherent risk then is calculated as the product of impact and likelihood and depending on its score range (between 1 and 25) is rated Low, Medium, High, or Very High as presented below:

**Inherent Risk Score = (Likelihood) \* (impact)**



Shape 7 (e): Inherent risk score and rating

### 7.3.3 Control effectiveness

After assessing the inherent risk dimension, the recorded key mitigation actions/ control effectiveness is assessed by each risk assessment participant based on the scale below:



Control Effectiveness		
Rating	Description	Score
Very Low	There are no controls in place.	0
Low	<ul style="list-style-type: none"> <li>&gt; Poorly recorded</li> <li>&gt; Poorly documented</li> <li>&gt; Poorly designed and do not cover risk exposure</li> <li>&gt; Partially testable</li> <li>&gt; Not performed as planned and significant deviations have been detected</li> <li>&gt; Usually performed by non-authorized parties</li> <li>&gt; Segregation of duties is not achieved</li> <li>&gt; Detective</li> </ul>	5
Medium	<ul style="list-style-type: none"> <li>&gt; Written/ Recorded</li> <li>&gt; Documented</li> <li>&gt; Inadequately designed and do not fully cover risk exposure</li> <li>&gt; Testable</li> <li>&gt; Usually performed as planned and deviations of moderate importance have been detected</li> <li>&gt; Usually performed by the authorized parties</li> <li>&gt; Insufficient Segregation of duties is achieved</li> <li>&gt; Detective</li> </ul>	10
High	<ul style="list-style-type: none"> <li>&gt; Written/ Recorded</li> <li>&gt; Documented</li> <li>&gt; Correctly designed and covering risk exposure</li> <li>&gt; Testable</li> <li>&gt; Performed as planned and minor deviations have been detected</li> <li>&gt; Performed by the authorized parties</li> <li>&gt; Segregation of duties is achieved</li> <li>&gt; Preventive or detective</li> </ul>	15
Very high	<ul style="list-style-type: none"> <li>&gt; Written/ Recorded</li> <li>&gt; Documented</li> <li>&gt; Correctly designed and covering risk exposure</li> <li>&gt; Testable</li> <li>&gt; Performed as planned and no deviations have been detected</li> <li>&gt; Performed by the authorized parties</li> <li>&gt; Segregation of duties is achieved</li> <li>&gt; Deterrent and preventive</li> </ul>	20

Shape 7 (f): Key risk management action/ control effectiveness

### 7.3.4 Residual risk

The residual score of each risk is calculated based on (1) the inherent risk level and (2) the control effectiveness score as presented below. Risks are rated at the residual level as Low, Medium, High, or Very High following the same logic as inherent risk rating.



Shape 7 (g): Residual risk score and rating

### 7.3.5 Principal risks’ management

For especially high risks and/ or based on other criteria defined by the Group (e.g. link with strategy, outside of risk appetite) respective action plans for their management should be developed to the extent possible. The action plans are developed by the respective Risk Owners (\*) with the support



of the Head of Risk Management (as needed). The progress of the action plans is monitored by the CEO quarterly.

Indicatively, risk management action plans include the following information:

- Key risk information (Risk Description, Risk Owner, Risk Source, etc.)
- Current state mitigation actions/ controls
- Additional actions to further mitigate the risks (as well as the necessary resource investment required for their implementation)
  - Estimated costs/ investment of financial resources of the actions is recorded in the plan
  - Respective Action Owners are defined per action as applicable in cases where the ownership of specific actions is further delegated
- Deliverable(s) / key results of the actions (e.g. new policy, new process, new templates/ internal tools, outsourcing to 3rd parties, insurance/ hedging contracts, etc.)
- Roadmap and timeframe for completion

*(\* It should be noted that a specific risk may have more than one Risk Owners, only in cases where it concerns the same risk event across areas that fall under more than one Senior Manager's accountability (e.g. customer-related risks for customers and strategic customers).*

## 7.4 Risk monitoring

The monitoring of risk management within the Group is a continuous and cyclical process. Each Risk Owner is responsible to monitor the risks under his/ her supervision in the context of overseeing his/ her business area of responsibility.

Each Risk Owner is also responsible for implementing and monitoring the progress of actions that have been decided to further mitigate risks. This might involve review of related work products, budget control, overseeing 3<sup>rd</sup> party contributors, etc.

The end state of monitoring of risks is to take place via Key Risk Indicators, which reflect the amount of risk in the key areas of Group activities (e.g. key product prices, profitability, exchange rates, customer base, product portfolio, people related metrics, sustainability related metrics, etc.). In this context, warning thresholds are suggested to be established in order to trigger further examination and consideration of additional actions (e.g. adverse movement of exchange rates by x%, under-performance of sales by x%, employee turnover greater than x%, etc.).

The Risk Owners (Senior Managers) record and summarize progress and key observations in quarterly reports to the CEO (please see also [7.5.2 Quarterly updates](#)), which they also upload in a dedicated section in the Company's Sharepoint. However, any risk event deemed extreme (i.e. may result in extreme financial, strategic or legal impact for the Group as defined in the impact rating scale) may be initially escalated and discussed with the Head of Risk Management and then reported to the CEO along with suggested actions for review, consideration and approval.

## 7.5 Risk reporting

### 7.5.1 CEO meeting review

The Group's CEO holds regular (weekly or bi-weekly) meetings with the Senior Managers as part of his/ her management oversight duties where overall business performance of the individual functions is discussed.

In the context of these meetings, the Senior Managers update the CEO on:

- Status of risks management actions under their supervision



- Key observations/ findings that might result in need to re-assess an existing risk or the identification of a new, emerging or changing risk

### 7.5.2 Quarterly risk updates

On a quarterly basis, each Risk Owner (Senior Manager) prepares a report to summarize the performance of risks under his/ her supervision (i.e. if and how risk events have taken place regarding this risk, e.g. a new product by a competitor in the market may elevate competition risk) as well as provide detailed progress updates on risk actions that are in progress (e.g. a new policy is being drafted, options are under evaluation for financial risk management instruments, etc.).

A dedicated meeting between the CEO and the Senior Managers is then organized in order to discuss and review the results of the reports as well as the progress of the existing controls and the development of new action plans. Senior Managers also send the progress of their action plans along with any new emerging risks to the Head of Risk Management.

The CEO leads a workshop with the Head of Risk Management and the Group's Senior Management to reflect on the updates, evaluate new information and its impact cross-functionally and consider the need for further actions.

### 7.5.3 Annual risk report

On an annual basis, the annual risk identification and assessment exercises take place, coordinated by the Head of Risk Management, based on the methodology that is documented in the sections above.

The results of this exercise are recorded by the Head of Risk Management in the annual risk report and are linked to the Group's strategic objectives. Results are submitted initially to the CEO.

Taking into consideration (a) the inherent risk rating of each assessed risk, (b) each risk's link to strategy and, (c) the Group's declared risk appetite for the corresponding risk pillar, the Head of Risk Management and the CEO will classify the inherent risks into two categories: principal and secondary. Principal risks will be thoroughly described along with their impact and the mitigation actions in the annual report, whereas secondary risks will be mentioned only by name.

The annual report will include the following:

- Risk Register
- Risk Assessment results (residual and inherent risk)
- Risk links to strategy
- Owners and participants for each risk
- ERM report (describes risks, impact, mitigation actions)
- Planning of future mitigation actions to be taken to reduce the risks (resources, action plan for next year, delegations, KRIs). The new action plans are agreed and finalized after a discussion between the CEO and the Senior Managers

The CEO reviews and approves the annual risk report and upon finalization, presents it to the BoD for final approval.

It should be noted that while the risk identification and assessment exercises take place regularly on an annual basis, it can be triggered ad hoc if ordered by the CEO or the BoD, or if requested by the Head of Risk Management and approved by the CEO.





## 7.6. Revision of the RMP

The Risk Management Process (RMP) in its entirety or any of its components (its steps, the risk assessment methodology, the respective rating scales or risk score calculation approach, the risk assessment consolidation approach, or any other part of this process) is reviewed annually to ensure that it remains fit for purpose and examine if any revision might be in order to better serve the needs of the Group.

Additionally, the RMP might be reviewed and/ or revised ad hoc if deemed that the circumstances around the Group's financial performance, strategy, regulatory environment, operating markets, or any other factor, have changed materially.

Any revisions are prepared and proposed by the Head of Risk Management to the CEO who is responsible for their initial approval. After its approval, the CEO presents the changes to the BoD who is responsible for final approval of any change to the RMP (as with any amendments of the ERM framework).

## 8. Document Control

<b>Title</b>	<b>Group Enterprise Risk Management (ERM) Framework</b>
<b>Version</b>	<b>1</b>
<b>Approval Date</b>	<b>30/11/2021</b>
<b>Approver</b>	<b>Dimitris Tsikopoulos - CEO</b>
<b>Effective Date</b>	<b>30/11/2021</b>