

Athens, 24 May 2024

**Report of the Independent Non-Executive Members of the Board of Directors
to the Annual General Assembly of Shareholders
according to article 9 par. 5 of Law 4706/2020**

This report is submitted by the independent non-executive members of the Board of Directors of TERNA ENERGY S.A. (hereinafter referred to as "the Company") to the Annual General Assembly of Shareholders in accordance with the provisions of article 9 par. 5 of Law 4706/2020.

The Independent Non-Executive Members of the Board of Directors met twice during the period 1/1/2023-31/12/2023 to determine the mode of operation and exchange views on their responsibilities.

The independent non-executive members of the Board of Directors confirm that they approve the information published by the Company in the context of the Annual Report of the Board of Directors and the Corporate Governance Statement included in the Annual Financial Report of December 31, 2023, and submit this report further highlighting some of the key developments and confirming the fulfillment of their obligations under article 7 of Law 4706/2020.

The Board of Directors of the Company includes five Independent Non-Executive Members (among whom one member has been appointed as a Senior Independent Director, as provided by law). The Company has and implements a diversity policy to promote an appropriate level of differentiation in the Board of Directors and a diverse group of members. The composition of the Board of Directors is characterized by intense diversity, including members of different ages, experience, specialties and with different scientific backgrounds who have a variety of skills and knowledge. Also, in terms of gender diversity, the composition of the Board of Directors exceeds the minimum requirements provided by law.

The Suitability Policy aims to ensure quality staffing, effective operation and fulfillment of the role of the Board of Directors based on the overall strategy and medium to long-term business goals of the Company, with the aim of promoting the corporate interest. During the preparation of the Suitability Policy, the size, internal organization, risk appetite, nature, scale and complexity of the Company's activities were taken into account, including but not limited in the sectors of Renewable Energy Sources, waste management, electricity trading, PPP projects, operation of large

infrastructure projects. The guiding principles governing this suitability policy are: Compliance, Transparency, Proportionality, Diversity, Meritocracy, Effectiveness, Experience and historic importance.

The Board is supported by seven committees, namely the Executive Committee, the Audit Committee, the Nominations Committee, the Remuneration Committee, the ESG Committee, the Strategic Planning Committee and the Investment Committee. Two members of the Board of Directors have been assigned to monitor IT systems. Significant actions have been taken towards enhancing information security, an issue to which the company has devoted considerable effort and resources. At the same time, the Company has an Internal Audit System, which includes the Internal Audit Unit, the Risk Management Unit and the Compliance Unit. For risk management, the Company has established a separate Risk Management Policy and has appointed an experienced executive of the Company as Risk Chief Officer.

The Board of Directors through the competent Audit Committee examined and confirmed the correctness of the process of preparing corporate and consolidated financial statements, evaluated the issues arising from the audit work that was conducted by the Internal Audit Unit and thoroughly analyzed the conclusions of the Chartered Auditors in relation to the soundness of information to Shareholders and investors in general.

In March 2023, the Evaluation of the Internal Audit System (IAS) by an external consultant was completed, as provided by law. The conclusion of the evaluation was that the consultant did not become aware of anything that could be considered as a material weakness of the Company's IAS in accordance with the Regulatory Framework.

In addition, the Board of Directors examined, through the competent committee, the Group's Business Continuity Plan (BCP), with the aim of addressing risks from any disruptive incidents, which may arise either from a large-scale technical failure or from malicious action in the Group's information systems. The second category of risks also includes threats originating either from the outside of the agent's information systems or from the inside.

In addition, the Board of Directors supervised, through the competent committee, the continuation of important corporate governance projects, such as the evaluation of the BoD, the assessment of collective suitability, as well as the preparation of the succession plan.

In addition, the Company reviewed the Risk Undertaking Framework, while the Board of Directors, through the Strategic Planning Committee of the BoD, monitors the Company's strategy on an ongoing basis.

The Company takes actions to ensure business ethics and regulatory compliance of all its operations and activities, with the priority of identifying and fighting potential corruption incidents, faithfully applying the procedures and policies incorporated in the corporate operation (Code of Conduct, Anti-Bribery Management System ISO 37001), and the regular training of human resources. The fight against corruption is a critical pillar of the Group's operation, which is committed to showing zero tolerance

to such incidents by promoting transparency, ensuring business ethics and regulatory compliance.

Sustainable Development is a holistic strategic approach for the Company. The policy for Sustainable Development is inextricably linked to the material issues that are regularly identified through the materiality analysis process, in order for the Group to constantly pay attention to the needs of interested parties (internal and external) but also to take into account the current socio-economic trends in relation to its effects (positive or negative).

In this context, the Group's corporate responsibility is aligned with the ESG (Environmental-Social-Governance) criteria/principles, concerns four axes of activity, environmental protection, promotion of human value, strengthening of the social footprint and the shaping of a responsible market, which are further deployed in eight strategic directions / individual areas that incorporate the Group's specific policy approach towards recognized essentials Issues.

It is noted that, during the period 1/1/2023-31/12/2023, 14 meetings of the Board of Directors were held, in which all members participated, as well as more than 30 meetings of the Board committees, in which all members of the Board, both independent and executive, showed absolute unity in the management of corporate affairs, independence of will, expressing different perspectives and flexibility of views stemming from the different backgrounds and experience of the members, all guided by a high degree of ethics and concern for the good of the Company.

Finally, the independent non-executive members of the BoD effectively perform their supervisory duties and proceed, within the framework of their responsibilities, to the thorough examination of the proposals submitted to the BoD, openly express their views on proposals submitted, taking into account all information available by the Board. Through their participation in the Board and its committees, independent non-executive members shall continuously demonstrate their ability to act with independent will, promoting transparency and due diligence, allocating sufficient time and commitment to perform their duties effectively, acting in the interest of all interested parties.

The independent non-executive members

Georgios Mergos

Andreas Tapratzis

Sofia Kounenaki-Efracimoglou

Marina Sargsian-Ohanesoglou

Tatiana Karapanagioti