

Non-executive members report to the Annual General Meeting of shareholders in accordance with article 9 par. 5 of Law 4706/2020

Serres, 14/06/2022

This report was prepared jointly by the non-executive members of the Board of Directors (“BoD”) of KRI-KRI MILK INDUSTRY SA (“the Company”), in accordance with the provision of article 9 par. 5. of Law 4706/2020 and the relevant guidelines of the Hellenic Capital Market Commission (HCMC). The scope of this report is to address the Annual General Meeting (“AGM”) of the Company's shareholders which will take place on 5th of July 2022.

In the context of the obligations set out in article 7 of Law 4706/2020 for non-executive members, those members should a) review and monitor the Company's strategy, the implementation of that strategy and that the Company can meet its objectives which derive from that strategy, b) ensure the effectiveness of the supervision of the executive members by reviewing and monitoring their performance, and (c) review and express their views on the proposals submitted by the executive members, based on existing information.

In accordance with the above responsibilities, the independent non-executive members of the BoD of the Company had met, without the presence of the executive members. The first subject for discussion in the non-executive members meeting was the determination of their responsibilities' framework and the exchange of views framework. It was decided to schedule at least an annual meeting prior to the AGM in order to prepare the non-executive members report to the AGM. They have also decided to meet when they consider it is necessary based on business circumstances and needs.

There are currently two independent non-executive members within the six-member BoD of the Company. The role of those members is to participate in the BoD Committees and assist the BoD of the Company in various topics. Two of those Committees are the Audit Committee and the Remuneration & Nominations Committee.

The independent non-executive members certify that the BoD operates effectively in order to meet the long-term interests and the sustainability of the Company. The composition of the BoD is characterised by diversity of knowledge, qualifications and experience, and contributes to the achievement of the Company's goals. Furthermore, the executive members are distinguished for their integrity, objectivity and professionalism and they perfectly collaborate with each other. They all have the knowledge and the experiences to supervise the operations of the Company.

Both regular and extraordinary BoD meetings take place during the financial year, based on the importance of the issues and the need for decision making. The regular meetings are attended by all the members of the BoD. To date, there is no recorded absence in any of the regular meetings of the BoD and there were no quorum issues in the decision-making process.

Furthermore, all subjects submitted to the AGM, which this report is referred to, have been unanimously approved by all the members of the BoD, including the independent non-executive members.

In general, the actions of the executive members are in accordance with the legislative framework, the articles of association of the Company, the Corporate Governance Code applied by the Company and all the Policies and Regulations of the Company.

The independent non-executive members of the BoD certify that they monitor the decision-making process which takes place during BoD meetings (for example in relation to the Company's strategy, the Company's goals, etc.) by the executive members, who are responsible for its implementation. In case of discrepancies (from the above decisions), the executive members inform the other members of the BoD about these discrepancies, adequately justify the discrepancies and make new amended proposals. Finally, the executive members submit the amended proposals for approval to all members of the BoD.

The non-executive members of the BoD have secured the uninterrupted communication with the executive members of the Company as well as the seamless flow of any requested information to the Departmental Directors.

The independent non-executive members of the BoD monitor the implementation of actions for continuous improvement, relating to major issues which concern the Company, such as the Internal Audit System, the implementation of the legislative and regulatory framework for Corporate Governance, the improvement of the IT security systems, the establishment of an ESG-best practices system within the context of the Company's sustainability, a safe and healthy work environment without discrimination or harassment which promotes respect for the personality of its employees, trust, collaboration and recognition.

The independent non-executive members confirm that they approve the information published by the Company in the context of the Annual Report of the BoD and the Corporate Governance Statement included in the Annual Financial Statements. At the same time, through the Audit Committee, in which all the non-executive members of the BoD participate, they reviewed and confirmed the validity of the preparation of the corporate and consolidated financial statements, evaluated the issues that arose during the audit control and analysed the conclusions of the certified auditors in relation to the completeness of the information which has been given to the shareholders and other investors.

The independent members certify that during the meetings of the BoD and its Committees for the financial year 2021 there was full solidarity among the members of the BoD, both independent, non-executive and executive in managing the corporate affairs, regardless of will, expressing different views and opinions which derive by the various backgrounds and experiences of all members, guided by a high degree of their ethics and interests for the company.

Finally, the independent non-executive members of the BoD perform their supervisory duties effectively and, within the framework of their responsibilities, by conducting a thorough review of the proposals submitted to the BoD, openly expressing their views on those proposals and by considering all the information which the BoD has provided. Through their participation in the BoD and its Committees, the independent non-executive members continuously demonstrate their ability to act in accordance with the independent will, promoting transparency and due diligence, having sufficient time and commitment to carry out their duties effectively and acting in the interest of all stakeholders.