

# EKTER S.A.

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## SUITABILITY POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS

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**SUITABILITY POLICY FOR  
MEMBERS OF THE BOARD OF DIRECTORS**

(pursuant to article 3 of Law 4706/2020)

**1. Scope**

1.1. This Suitability Policy for members of the Board of Directors of the Company EKTER S.A. (hereinafter the “Suitability Policy” or the “Policy”), regards the principles and the framework for the selection, replacement and renewal of the term of Directors, as well as the criteria for the assessment of the personal and collective suitability and the review of any impediments or incompatibilities of the directors with applicable provisions, including the Company’s Corporate Governance Code and Bylaws.

1.2. This Policy aims to ensure the quality of staffing, the efficient operation and the fulfillment of the role of the Board, based on the overall strategy and the business objectives of the Company in order to promote the corporate interests.

1.3. The Policy has been prepared based on the currently applicable legal and regulatory framework and it complies with articles 3 and 18 of Law 4706/2020 “Corporate Governance of Societe Anonymes, contemporary capital markets, transposition in Greek legislation of the Directive (EU) 2017/828 of the European Parliament and the Council, measures for implementation of the Regulation (EU) 2017/1131 and other provisions” (Government Gazette No. A’ 136 - 17.07.2020) and the relevant guidelines of the Hellenic Capital Market Commission.

1.4. The scope of the Suitability Policy includes all members of the Board of Directors of the Company (appointed and nominated, executive, non-executive and independent non-executive).

**2. Monitoring of implementation and review of Suitability Policy – Approval Bodies**

2.1 The Company complies with the general framework of corporate governance and applies the Suitability Policy, the monitoring of which constitutes a collective responsibility of the Board of Directors, with the Remuneration and Nominations Committee monitoring and implementing the Suitability Policy in the context of its

relevant powers. The Company's Board of Directors, supported by the Remuneration and Nominations Committee, is responsible for the interpretation of the provisions of the Policy, if required.

2.2. The Suitability Policy is initially approved by the Board of Directors and submitted for approval by the General Meeting, pursuant to article 3 of Law 4706/2020.

2.3. The Company reviews the planning and implementation of the Policy whenever deemed necessary, taking into consideration, inter alia, the suggestions of the Remuneration and Nominations Committee, the Internal Audit Unit and any other external bodies, in accordance with applicable legislation and the guidelines of the Hellenic Capital Market Commission.

2.4. In the context of the review of this Policy, the Company examines the relevant amendments to laws, regulations, applicable international best corporate governance practices, as well as any suggestions of supervisory authorities to the Company.

2.5. The Remuneration and Nominations Committee, aided by the Internal Audit Unit, monitors regularly the correct implementation and efficiency of the Policy, by assessing it periodically, at least every four (4) years or earlier if important events occur or significant changes are applied to laws, regulations and the international best corporate governance practices. Any failures identified during the periodic assessment of the Suitability Policy as well as any other relevant assumptions are recorded and submitted to the Board of Directors.

2.6. Reviews of the Suitability Policy are approved by the Board of Directors, and if they are material they are submitted for approval by the General Meeting. The Suitability Policy and any material amendment thereof becomes effective upon its approval by the General Meeting, whereupon it is posted on the Company's website. Material amendments are considered those that introduce derogations or alter significantly the contents of the Suitability Policy, especially regarding the applicable principles and criteria.

### **3. Purpose**

The Purpose of this Policy is:

- The alignment and compliance of the Company with the currently applicable legal and regulatory framework in general, as well as with the definitions of the articles of association of the Company, as in force from time to time, regarding the number of members and the composition of the Board.
- To ensure the appropriate staffing of the Board with the participation of capable and notable persons, that offer guarantees of morality, credibility and reputation, in order for the Board of Directors to operate effectively and best serve the corporate purpose.
- To establish guidelines for the guidance of the Remuneration and Nominations Committee regarding the selection, the assessment and the nomination of prospective members of the Board of Directors or the replacement of members of the Board as well as for the renewal of the term of office of current members.
- To establish criteria for the assessment of the suitability of prospective members of the Board of Directors, both at the personal and collective level.
- To provide diversity criteria for the selection of the members of the Board, pursuant to the definitions of article 3 of Law 4706/2020 and the implementation circulars of the Hellenic Capital Market Commission.

### **4. Principles of the Suitability Policy regarding the selection, replacement or renewal of the term of members of the Board of Directors**

4.1. The Board of Directors has the number of members and the composition that is established in the Articles of Association of the Company and consists of executive and non-executive directors, some of which are independent directors. The duties and the powers of the Directors are described in the Company's Bylaws.

4.2. The status of the members of the Board of Directors as executive or non-executive is determined by the Board of Directors. The independent non-executive

Directors are appointed by the General Meeting of the Shareholders, based on the criteria set in article 9 of Law 4706/2020.

4.3. For the purposes of the Policy, Suitability is defined as the extent to which a person is considered to have sufficient knowledge, skills, experience, independence of judgment, guarantees of morality and reputation in order to perform its duties as Director. Suitability also includes the ability of a person to dedicate sufficient time to the performance of its duties. The suitability of Directors is assessed at the personal and collective level.

4.4. The Company must have a sufficient number of Directors, taking into consideration its size and all corporate activities.

4.5. The Board of Directors is staffed with persons that have the integrity, reputation and credibility that are appropriate for their executive or non-executive roles.

4.6. The members of the Board of Directors possess the skills and experience required, based on the duties assumed and their role in the Board of Directors and/or the Committees thereof, as well as sufficient time for the performance of their duties.

4.7. The assessment of personal and collective suitability is taken into consideration during the selection, the renewal of the term of office and the replacement of a Director, in accordance with the provisions of article 5 hereof.

4.8. The suitability of the member of the Board of Directors is reviewed whenever deemed necessary. The review of the suitability is recommended to be mandatory in the following cases:

- a) when doubts arise regarding the personal suitability of the members of the Board of Directors or the suitability of the composition of the body;
- b) in case of significant impact to the reputation of a Director;
- c) in every instance of occurrence of an event that could significantly affect the suitability of a Director, including cases of non-compliance of Directors with the Company's Conflict of Interests Policy.

4.9. The prospective members of the Board of Directors, before they assume their duties, are informed about the Company's Bylaws and corporate governance matters.

4.10. The Board must ensure an appropriate succession plan for the uninterrupted management of the Company's affairs and decision making following the departure of Directors, especially executive Directors and members of committees.

## **5. Director suitability assessment criteria**

### **I. Personal Suitability**

The personal suitability of Directors is assessed based on the criteria of paragraphs I.1-I.5 of this article, that apply to all Directors, regardless of their capacity as executive, non-executive or independent non-executive Directors.

Special impediments, obligations and conditions that arise from the regulatory framework, apply regardless of the suitability criteria (e.g. article 3 par. 4, 5 and 6 and article 9 par. 1 and 2 of Law 4706/2020 and article 44 par. 1 of Law 4449/2017).

#### **I.1 Sufficiency of knowledge and skills**

Directors must possess sufficient knowledge, skills and experience for the performance of their duties and serve in their position. Experience includes both practical and professional experience, as well as the theoretical knowledge acquired by the Directors through time.

The assessment of the theoretical knowledge and skills of a Director, primarily considers the level and the type of education/training (area of study and specialization, lifelong learning). Theoretical knowledge may be related to activities related to the Company or with other similar activities, at the Company's discretion, depending on the capacity, the role and the responsibilities of each Director.

The assessment of a Director takes into consideration the previous positions and the type of employment of the Director through time (including the exercise of a professional activity). It also takes into consideration the professional development through time of the Director, as well as information such as the duration of stay in a

position, the size of the employer companies, the scale and complexity of the business activities, the responsibilities assumed in them, leading a department and/or number of subordinates, the nature of the activities of the company.

The non-executive Directors that participate in the Audit Committee in particular, must possess specific knowledge regarding the works of the Committee and broader knowledge or general experience in the industries in which the Company operates, whereas the composition of the Committee takes into consideration the fact that at least one member must have sufficient Auditing or Accounting knowledge.

### **I.2. Guarantees of morals and reputation**

The good reputation, honest, morality and integrity of Directors constitute important criteria that are thoroughly assessed by the Company. A Director is presumed to possess these characteristics if there are no objective and proven reasons to suggest otherwise.

### **I.3. Conflict of Interests**

The members of the Board of Directors must be always fully informed about the Conflict of Interests Policy implemented by the Company and included in the Bylaws.

The Conflict of Interests Policy for Directors includes, inter alia, procedures for the prevention of conflicts of interests, measures for the disclosure and management of the conflict of interests and any cases and conditions where, exceptionally, it would be acceptable for a Director to have conflicting interests, provided that said interests of the Director are significantly limited or are subject to appropriate management.

In any case, the actual and potential instances of conflict of interests must be subject to adequate disclosure by the Directors, discussion, documentation, decision and appropriate management (i.e. the required measures for the mitigation of conflicts of interest must be taken), in accordance with the Company's Conflict of Interests Policy.

### **I.4. Independence of judgement**

Every Director must participate actively in the meetings of the Board, form a global view of the matters that are discussed and participate in decision making, objectively responsibly and with impartial judgment, in order to serve the corporate interests.

In the context of the assessment of the independence of judgment of Directors, the Company takes into consideration if the Directors have the necessary behavioral skills, that include mainly: (a) the ability to make an essential evaluation of the proposals or opinions of other Directors; (b) the ability to form a global view of the discussed matters and (c) the ability to express a personal and objective opinion, without indiscriminately adopting the opinions of others.

### **I.5. Sufficient availability**

The Directors must dedicate the time required for the unimpeded performance of their duties. The Company informs prospective Directors about the time that they are expected to dedicate to their duties and the meetings of the Board and any committees where they may participate as members. The determination of sufficient availability primarily takes into consideration the capacity and the responsibilities assigned to the Director by the Company.

The Directors must disclose the number of positions they may occupy in other boards of directors and the capacities that they hold simultaneously, as well as all other professional or personal commitments and conditions, to the extent that they could affect the time dedicated to the exercise of their duties as Directors of the Company.

## **II. Collective Suitability**

Directors must be collectively able to take appropriate decisions, taking into account the business model, the risk appetite, the strategy and the markets in which the Company operates.

Directors must collectively have the required skill to effectively monitor and critique the decisions of the Board. The assessment of the collective suitability takes into consideration if the composition of the Board of Directors reflects the knowledge, skills and experience required for the performance of its duties as a collective body.



In this context it is required that the Board of Directors as a whole must have a sufficient understanding of the sectors for which the Directors are collectively responsible and possess the skills required to exercise the actual management and supervision of the Company, especially regarding its business activity and the main risks associated with it, strategic planning, financial reporting, compliance with the legal and regulatory framework, the understanding of corporate governance issues, the ability to recognize and manage risks, the impact of technology on its activities and adequate representation per gender.

## **6. Diversity Criteria**

In order to promote an adequate level of diversity in the Board of Directors and an inclusive team of Directors, the Company implements a diversity policy when appointing new Directors.

In particular, the main diversity criteria are the following: (a) representation per gender at least twenty-five percent (25%) of all the members of the BoD. (in case of fractions this percentage is rounded to the nearest integer value) and (b) no prospective or active Director may be excluded due to gender, race, color, ethnic or social origin, religion or belief, wealth, birth, disability, age or sexual orientation.

## **7. Remuneration and Nominations Committee**

7.1. Pursuant to articles 10-12 of Law 4706/2020, the Company appoints a Remuneration and Nominations Committee that is responsible to find the most appropriate persons to fill the positions of the Board of Directors and to ensure a transparent process for their appointment, based on meritocratic and objective criteria, as defined in this Policy and the Bylaws.

7.2. The Committee's objective is to fill the positions of the Board of Directors with persons of prestige with good character and reputation that possess both the knowledge and the experience for the exercise of their duties and sufficient time to dedicate to them. Furthermore, it ensures that the prospective Directors are familiar with the nature, the culture, the subject and the business strategy of the Company, before their appointment as Directors.

7.3. The names of the Directors nominated for appointment or reappointment must be accompanied by sufficient biographical information, the opinion of the Board of Directors regarding the independence of the nominated Directors (in case of appointment of independent Directors) and any other relevant information that could facilitate the adoption of an informed decision by the shareholders.

7.4. Specifically regarding the appointment of independent Directors, the Committee thoroughly examines in advance if the candidates can be considered independent in accordance with the criteria set in article 9 of Law 4706/2020 and proceeds to submit a relevant proposal/suggestion to the Board of Directors. The Board provides to the General Meeting of the shareholders all required information related to the fulfilment of the independence criteria in order to facilitate the adoption of an informed decision regarding the appointment/ reappointment of prospective Directors.

## **8. Board of Directors assessment procedure**

8.1. The Company has the main responsibility for the identification of defects regarding the personal and collective suitability of Directors, and for this purpose the Board of Directors conducts an annual assessment (either self-assessment or assessment by third party independent consultants).

8.2. In the context of the annual assessment of the Board of Directors, every prospective or current Director is obligated to inform the Company about meeting the suitability criteria, as described in this Policy, as well as about any change to them, and to submit any required documentation or other supporting documents.

8.3. The Remuneration and Nominations Committee may acquire the required documentation from prospective and current Directors in regular intervals.

8.4. The aforementioned assessment of the suitability of the members of the Board of Directors is part of the annual assessment of the Board of Directors, which is conducted under the responsibility of the Remuneration and Nominations Committee and its findings are processed and presented to the Board by the Chairman of the Board of Directors.

8.5. In the event that, after the submission of the Committee's report in accordance with the foregoing, the Board of Directors determines that a person is not suitable for appointment as a Director, said person is not appointed, or if it is already appointed it is replaced within three (3) months. In the event that the Committee's report identifies easily remediable deficiencies (e.g. related to the knowledge, the skills and the experience of the Board), the latter, supported by the Committee, may take appropriate corrective measures in order to promptly address said deficiencies. However, the previous sentence does not apply in cases where the (personal) non-suitability of the Director is related to their reputation, honesty and integrity or involves a situation that said member could not have prevented with due diligence.

8.6. In the event that, after the submission of the Committee's report in accordance with the foregoing, the Board of Directors determines that it is not collectively suitable, supported by the Committee, takes corrective measures promptly. When the Board of Directors takes corrective measures, it examines the specific circumstances and the deficiencies of a single Director or the cumulative composition of the Board. The appropriate corrective measures may include: allocation of responsibilities between Directors, replacement of certain Directors, appointment of additional members, potential measures for the mitigation of conflicts of interest, personal or collective inclusion and other development programs aimed to ensure the personal and collective suitability of the Board of Directors.

This Suitability Policy has been approved with the minutes of the Board of Directors of the Company dated 06.07.2021 and will be submitted for approval to the Ordinary General Meeting of its shareholders on 30.07.2021. Following its approval it will be posted to the Company's website

<https://www.ekter.gr>