



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



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## **1. INTRODUCTION.**

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The present Suitability Policy (hereinafter "Policy") was prepared by the Board of Directors of the company with the name "EPSILON NET Information Technology, Education and High Technology Products Societe Anonyme" and the distinctive title "EPSILON NET S.A." (hereinafter referred to as the "Company") on the basis of the provisions of Article 3 of Law 4706/2020 as well as of Bulletin No. 60 of the Hellenic Capital Market Commission on "Guidelines for the Suitability Policy of article 3 of Law 4706/2020", was approved by the Board of Directors of the Company and subsequently approved by the resolution of the 22nd Ordinary General Meeting of Shareholders of the Company on 30/06/2021. The members of the Board of Directors fall within its scope of application.

The Suitability Policy aims to ensure the quality of staffing, effective operation and fulfilment of the role of the Board of Directors based on the overall strategy and business objectives of the Company with the aim of promoting the corporate interest.

The Suitability Policy and any material amendment thereto shall be effective upon their approval by the General Meeting of Shareholders. Substantial modifications are those which introduce derogations or significantly change the content of the Suitability Policy, in particular as regards the general principles and criteria applied. The current Suitability Policy is posted, updated, on the Company's website.

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## **2. GENERAL PRINCIPLES.**

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The general principles underlying this Suitability Policy are as follows:

- A. It is clear, adequately documented, governed by the principle of transparency and proportionality and is in line with the Internal Regulation of Operation and the Corporate Governance Code applied by the Company.
- B. The size, internal organization, risk appetite, nature and complexity of the Company's activities are taken into account in establishing it.
- C. It shall take into account the more specific description of the responsibilities of each member of the Board of Directors or his/her participation or non-participation in committees, the nature of his/her duties (executive or non-executive member of the Board of Directors) as well as specific incompatibilities or characteristics or contractual commitments.
- D. It is evaluated at regular intervals or when significant events or changes occur.

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## **3. PRINCIPLES RELATING TO THE SELECTION, REPLACEMENT OR RENEWAL OF THE TERM OF OFFICE OF THE MEMBERS OF THE BOARD OF DIRECTORS.**

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- 3.1. The Board of Directors of the Company is composed of persons of good moral and reputational standing and has a sufficient number of members and an appropriate composition, which reflects the knowledge, skills and experience required for the exercise of its

responsibilities, in accordance with the business model and strategy of the Company.

- 3.2. The Company shall ensure diversity and adequate gender representation on its Board of Directors and in general shall ensure equal treatment and equal opportunities, as well as the concentration of a wide range of qualifications and skills among the members of the Board of Directors.
- 3.3. It also ensures that the members of the Board of Directors understand and comprehend the corporate governance regulations of the Company, as they result from the Law, the Corporate Governance Code and the Code of Professional Conduct that the Company applies.
- 3.4. In the selection, renewal of the term of office and replacement of a member of the Board of Directors, individual and collective individuality, as defined immediately below, shall be taken into account.
- 3.5. The suitability of the members of the Board of Directors is monitored on an ongoing basis, in order to identify any situation where a reassessment is required. Among the cases where a reassessment of the suitability of the members is deemed necessary are: a) when doubts arise as to the individual suitability of the members of the Board of Directors or the suitability of the composition of the body; b) in the case of a significant impact on the reputation of a member of the Board of Directors; and c) in any event that may significantly affect the suitability of the member of the Board of Directors, including in cases, where the members do not comply with the Company's Interest Conflict Policy.
- 3.6. The Board of Directors of the Company is responsible to ensure and formulate an appropriate succession plan in order to ensure the smooth continuation of the management of the Company's affairs and decision-making after the departure of members of the Board of Directors, in particular the executive members and committee members of the Company.

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#### **4. ANALYSIS OF THE SUITABILITY CRITERIA FOR MEMBERS OF THE BOARD OF DIRECTORS.**

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The suitability of the members of the Board of Directors is divided into a) individual and b) collective, as follows:

##### **4.1. Individual suitability.**

##### **4.1.1. Professional training, experience, knowledge competency.**

The members of the Board of Directors should understand the Company's business activity and the risks it undertakes, at a level corresponding to their responsibilities. This includes an adequate understanding of the areas for which an individual member is not directly responsible but is collectively responsible together with the other members of the Board of Directors.

The members of the Board of Directors should have a clear understanding of the Company's governance arrangements, their respective roles and responsibilities and potential conflicts of interest that may arise.

The members of the Board of Directors should be able to contribute to the maintenance of an

appropriate mentality, corporate values and conduct within the Board of Directors and the Company.

In this respect, the following should be considered in the context of the assessment of sufficient knowledge, skills and experience: (a) the role and duties of the position and the required competences; (b) the knowledge and skills acquired through education, training and practical experience; (c) the practical and professional experience acquired in previous positions; and (d) the knowledge and skills acquired and demonstrated by the professional conduct of the member of the Board of Directors.

The existence of the required conditions will be established through curriculum vitae containing information on their training and professional experience, as well as other information such as diplomas, references from previous employers, executive and non-executive board memberships and other professional activities, participation in professional associations, seminars and training courses attended, etc.

For the purposes of assessing a member's theoretical knowledge, the level and type of education (field of study and specialization) documented through the diplomas and any seminars attended shall be taken into account.

Practical experience is demonstrated by providing detailed information on previous positions of responsibility held by the candidate. In this context, the type of employment held by the member shall be assessed, taking into account the length of time he/she has held the position, the size of the entity in which he/she worked, the scale and complexity of the business activity, the responsibilities exercised, the number of subordinates, the nature of the entity's activities, etc. Evidence of practical experience is also obtained from letters of reference from previous employers.

#### **4.1.2. Personal skills.**

Additional evaluation criteria for the members of the Board of Directors include personal skills, such as decisiveness and decision-making ability, communication skills, critical ability, leadership ability, loyalty, negotiating ability and persuasiveness, team spirit, sense of responsibility, etc.

Elements of the character and contribution of candidates or current members of the Board of Directors are assessed, among other things, by their performance to date, the recommendations they make, personal discussions/interviews with the examinee and, in general, their overall participation in the management and operations of the Company.

#### **4.1.3. Reputation, ethics, honesty and integrity.**

The members of the Board of Directors must perform their duties with integrity, objectivity and professionalism. In general, they should manage corporate affairs with diligence and in good faith and act in accordance with the standard of prudent businessmen solely in the best interests of the company.

When assessing the characteristics of good reputation, morality, honesty and integrity of a member or candidate for membership of the Board of Directors and subject to compliance with the relevant legislation on personal data, the Company has the right to conduct an investigation and to request information and relevant supporting documents regarding any final administrative and judicial decisions against him/her, in particular for violations and offences related to his/her membership of the Board of Directors or non-compliance with the provisions of the Capital Market Commission's

legislation or in general with economic crimes.

#### **4.1.4. Conflict of interest.**

In accordance with the Company's Conflict of Interest Policy, in the context of the evaluation of a candidate member of the Board of Directors, and periodically, the extent to which there are no impediments that could prevent the member from effectively performing his/her duties in accordance with the provisions of his/her role is assessed. Indicatively, the degree of compliance with the independence criteria for independent members of the Board of Directors and any circumstances relating to the family, professional or social situation of the candidate that could actually or potentially lead to a conflict of interest shall be examined.

#### **4.1.5. Independence of judgement.**

Each member of the Board of Directors must actively participate in the meetings and make his/her own correct, objective and independent decisions and judgments in the performance of his/her duties.

"Objectivity" means an impartial attitude and mentality, which allows the member of the Board of Directors to perform his/her work as he/she believes it to be and not to accept any compromise on its quality.

"Independence" means the absence of circumstances that prevent a member of the Board of Directors from exercising impartial judgment in the performance of his/her duties.

In assessing the independence of the judgement of the members of its Board of Directors, the Company takes into account whether all members of the Board of Directors have the necessary behavioral skills, including in particular: (a) the courage, conviction and fortitude to undertake a meaningful evaluation and challenge the proposals or opinions of other members of the Board of Directors; and (b) the ability to ask reasonable questions of and criticize the members of the Board of Directors and in particular the executive members.

#### **4.1.6. Allocation of sufficient time.**

The members of the Board of Directors must have the time necessary for the uninterrupted performance of their duties. The expected time required for each candidate member of the Board of Directors to devote to his/her duties is determined by the Company according to its needs and communicated to the candidate member. When determining the adequacy of the time, the main factors taken into account are the capacity and responsibilities assigned to the member of the Board of Directors by the Company. The members of the Board of Directors are required to disclose the number of positions they may hold on other boards of directors and the capacities they simultaneously hold, as well as their other professional or personal commitments and circumstances to the extent that they are likely to affect the time they have in the performance of their duties as members of the Board of Directors of the Company.

#### **4.2. Collective suitability.**

The members of the Board of Directors must collectively be able to make appropriate decisions taking into account the business model, risk appetite, strategy and the markets in which the Company operates, as well as to effectively monitor and criticize the decisions of senior management. For the assessment of collective suitability, account shall be taken of whether the composition of the Board of

Directors reflects the knowledge, skills and experience required for the exercise of its responsibilities as a collective body. In particular, the Board of Directors as a whole must have an adequate understanding of the areas for which the members are collectively responsible, and possess the necessary skills to exercise effective management and oversight of the Company, in particular with regard to its business activity and the key risks associated with it, the strategic planning, the financial reporting, the compliance with the legislative and regulatory framework, the understanding of corporate governance issues, the ability to identify and manage risks, the effect of technology to its activity and the adequate gender representation.

In particular, with regard to adequate gender representation, it should be mandatory to be twenty-five percent (25%) of the total number of members of the Board of Directors. This criterion should be taken into account by the Nominations and Remuneration Committee when making its proposals for the appointment of a new member of the Board of Directors and it is noted that in the case of a fraction, this percentage is rounded to the nearest whole number. The Company hereby ensures equal treatment and equal opportunities between genders among the members of the Board of Directors.

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**5. PROCEDURE FOR THE ASSESSMENT OF CANDIDATES FALLING UNDER THE POLICY.**

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The assessment of the suitability and credibility of the candidates falling under the Policy should take place before the nomination of the new member of the Board of Directors. For the election of its members, the Board of Directors shall post on the Company's website twenty (20) days at the latest before the General Meeting, in the context of its relevant proposal, information regarding each candidate for membership, concerning the following:

- The justification of the candidate's proposal.
- The candidate's detailed curriculum vitae, including in particular information on his/her current or previous activities, as well as his/her participation in executive positions in other companies or participation in other boards and committees of other legal entities.
- The verification of the eligibility criteria of the candidates for the Board of Directors, in accordance with the Company's suitability policy, and, if the candidate is proposed for election as an independent member of the Board of Directors, the fulfilment of the requirements set forth in article 9 of Law 4706/2020.

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**6. DIVERSITY CRITERIA.**

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In order to promote an appropriate level of diversity on the Board of Directors and a diverse group of members, the Company applies a diversity policy when appointing new members of the Board of Directors. In addition to the adequate gender representation as provided above (paragraph 4.2), in the selection of new members for the Board of Directors of the Company, no discrimination based on gender, race, color, ethnic or social origin, religion or beliefs, property, birth, disability, age or sexual orientation shall be excluded.

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## **7. IMPLEMENTATION, MONITORING AND MODIFICATION OF THE SUITABILITY POLICY - EVALUATION OF SUITABILITY.**

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Monitoring the implementation of the Suitability Policy is the responsibility of the Board of Directors collectively. The Board of Directors is assisted by the Nominations and Remuneration Committee, which follows and implements the Suitability Policy within the framework of its relevant responsibilities, organizes the annual self-assessment of the Board of Directors based on the above criteria and makes proposals for the harmonization of its Suitability Policy with the corporate governance framework, the corporate culture and the risk appetite defined by the Company, including any amendments to the Suitability Policy. The Company's Internal Audit unit also assists in this process where required.

The Board of Directors conducts an annual self-assessment of the Board of Directors as a whole and of each individual part, in accordance with the procedure provided by the Company, which is initiated and organized by the Nominations and Remuneration Committee.

The Board of Directors shall record the results of the assessment of suitability and in particular any shortcomings identified between the intended and actual individual and collective suitability, and measures to be taken to address these shortcomings.