

## **Charter of Operation of the Nomination and Remuneration Committee**

This Charter includes the following sections:

- I. Introduction.
- II. Purpose of the Charter.
- III. Type, composition and term of office of the Nomination and Remuneration Committee.
- IV. Tasks and duties of the Nomination and Remuneration Committee.
- V. Operation of the Nomination and Remuneration Committee.

The sections of the Charter of Operation of the Nomination and Remuneration Committee are analysed as follows:

### **I. Introduction**

The Nomination and Remuneration Committee of the company “FOURLIS HOLDINGS SA” (hereinafter referred to as the Company) is established aiming at providing support to the Company’s Board of Directors (hereinafter referred to as the BoD), at fulfilling the obligations of the BoD to the shareholders, in respect of ensuring that the election of the candidates who have applied for the position of the member of the BoD, follows merit-based and objective criteria, so that the smooth succession of the members of the BoD as well as of the senior directors of the Company for the purpose of the Company’s successful progress in the long term is guaranteed. Within the limits of its role, the Nomination and Remuneration Committee, shall find and shall propose to the BoD individuals, who shall be fit and proper for becoming members of the BoD, on the basis of the procedure provided in the Committee’s Charter of Operation. For the purpose of selection of the candidates, the Committee shall take into account the factors and the criteria specified by the Company, in accordance with the Fit and Proper Policy adopted by the Company.

More specifically:

### **Fit and Proper Policy for the Members of the Board of Directors**

The Company has adopted a Fit and Proper Policy for the members of the Board of Directors, which is approved by the BoD and is submitted for final approval to the General Meeting of the Shareholders of the Company. The first edition of the Fit and Proper Policy for the members of the BoD based on the provisions of L.4706/2020 shall be submitted for approval to the Ordinary General Meeting of Shareholders of the year 2021. After being approved, the Fit and Proper Policy shall be uploaded in the website of the Company. The basic terms and principles of the Fit and Proper Policy of the Company have as follows:

- The Fit and Proper Policy includes the aggregate of the principles and the criteria at least applied by the selection, replacement and renewal of the term of office of

the members of the BoD in respect of the assessment of the individual and collective suitability.

- Individual Suitability is defined as the extent to which an individual is considered to have, as a member of the BoD, sufficient knowledge, skills, experience, independent judgement, moral principles and good repute for the performance of his/her duties as member of the BoD of the Company, in accordance with the eligibility criteria set by the Fit and Proper Policy of the Company.
- Collective Suitability is defined as the suitability of the members of the Board of Directors in whole.
- The Fit and Proper Policy aims at ensuring the qualitative recruitment, effective functioning and fulfilment of the role of the BoD on the basis of the general strategy and the medium-term business objectives of the Company targeting at the promotion of the corporate interests.
- The Fit and Proper Policy is clear, sufficiently documented and governed by the transparency and proportionality principles.
- The assessment criteria of the individual suitability are general and applied to all members of the BoD, irrespective of their status as executive, non-executive, or independent non-executive members.
- The composition of the BoD reflects the knowledge, the skills and the experience required for the exercise of its duties. In this respect, the BoD is required to adequately comprehend the sectors for which the members are collectively responsible and to have the necessary skills in order to exercise real management and supervision of the Company, among other things and in relation to:
  - Its business activities and the basic risks associated with them;
  - The strategic planning;
  - The financial references;
  - The compliance with the legal and regulatory framework;
  - The comprehension of corporate governance issues;
  - The capability of risk recognition and management;
  - The influence of technology in the Company's activities;
  - The sufficient representation by gender.
- In the Fit and Proper Policy is expressly provided the sufficient representation by gender of at least 25% on the total number of the members of the BoD and in case of a fraction this percentage shall be rounded down to the nearest whole number.
- The Fit and Proper Policy is referred to the Equal Opportunities and Diversity Policy, so that it is guaranteed that this policy has been taken into account by the election of new members in the Board of Directors.

- The monitoring of the Fit and Proper Policy shall be the responsibility of the BoD. To the implementation of the Fit and Proper Policy contribute the Internal Audit Unit, the Regulatory Compliance Unit, the Nomination and Remuneration Committee and the Corporate Secretary wherever required. The results of the assessment of the Fit and Proper Policy shall be recorded as well as the steps that are required to be taken for the covering of any deficiencies located both at the level of individual and collective suitability.
- The documentation with regard to the approval of the Fit and Proper Policy and any of its modifications shall be stored in an electronic folder.

The Nomination and Remuneration Committee shall make proposals to the BoD in relation to the Remuneration Policy submitted for approval to the General Meeting (L.4548/2018, art.112) and the remunerations of the individuals who fall within the scope of the Remuneration Policy and of the Managers of the Company, in particular of the Head of the Internal Audit Unit, and shall review the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors prior to the submission of the report to the General Meeting. The Policy and the remuneration practices adopted by the Company are governed by justice and responsibility and clearly connect the performance of the Company to the performance of the individual.

More specifically:

### **Remuneration Policy**

The policy and the principles of the Company for the determination of the remunerations of the executive and non-executive members of the BoD as well as the calculation method of the remunerations, including the quantitative and qualitative criteria taken into account, are included in the Remuneration Policy that has been approved by the Extraordinary General Meeting dated 24/1/2020 and uploaded in the website of the Company <http://www.fourlis.gr>. The Policy applies to members of the Board of Directors of the Company and has been prepared in accordance with the EU Directive on the rights of shareholders (EU Directive 2017/828 issued by the European Parliament and the Council dated 17 May 2017), as incorporated in the Greek law with L.4548/2018.

The Remuneration Policy contributes to the business strategy and to the long-term interests and to the viability of the Company, and provides detailed information about the contribution method. It specifies in detail both the existing rights of the members of the BoD and the Company's obligations towards them, and the terms based on which the remunerations shall be paid in the future. The policy is valid and effective for four (4) years, unless it is revised and/or modified earlier by resolution of the General Meeting of Shareholders of the Company.

The Nomination and Remuneration Committee shall review on an annual basis if the Policy continues to be compatible with the business strategy of the Company or if the

Committee should propose modifications of the Policy to the Board of Directors. Every four years (4) or earlier, in case there is a need for modification after the Committee's proposal, the BoD shall submit any changes in the Policy that it considers appropriate to the General Meeting of shareholders for approval.

The Remuneration Policy shall be compliant with the applicable laws, the fair practices of corporate governance, the Greek Code for Corporate Governance, the Articles of Association and the Charter of Operation of the Company. The Policy shall acknowledge the existing rights and obligations of the members of the BoD and shall define the terms based on which the future remunerations may be paid to the existing or/and new members of the BoD during its period of validity.

No member of the BoD shall make decisions, nor shall he/she be responsible for his/her own remuneration. The Nomination and Remuneration Committee shall ensure that no individual shall be present at the discussion on his/her remuneration.

The Company shall pay remuneration both to the executive and to the non-executive members of the BoD taking into account the principle of payment of fair and reasonable remunerations to the best and most suitable individual in the relevant position, considering as well the degree of responsibility as well as the knowledge and experience required in order to meet the expectations, guaranteeing at the same time its short-term and long-term business plan, so that it can continue to create value for the customers, the shareholders, the employees and the economy of the countries in which it runs its business.

## II. Purpose of the Charter of Operation

This Charter of Operation of the Nomination and Remuneration Committee (hereinafter referred to as the Charter) shall apply supplementarily to the legislation and shall regulate the relations of the Nomination and Remuneration Committee with all interested parties (BoD, Administration, internal and external auditors).

The Nomination and Remuneration Committee shall operate pursuant to the articles 10, 11 and 12 of L.4706/2020, the Greek Code for Corporate Governance voluntarily adopted by the Company (<http://www.helex.gr/el/esed>), and the provisions of the Charter of Operation of the Company and the Charter shall describe the tasks, the duties and the obligations of the Nomination and Remuneration Committee as regards the above framework.

In the Charter are specified:

- The type, the composition and the term of office of the members of the Nomination and Remuneration Committee;
- The duties and the tasks of the Nomination and Remuneration Committee;
- The operation of the Nomination and Remuneration Committee.

The respective members of the Nomination and Remuneration Committee are obliged to comply with the Charter and all involved individuals (members of the BoD, Administration, Company's Secretary, Human Resources Department, Internal Audit Unit,

etc.) are obliged to comply with the provisions of the Charter to the extent that this Charter concerns them and to the extent that they are involved and engaged in the work of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall guarantee that the interests of the shareholders shall be duly protected with regard to the election and appointment of the members of the BoD as well as their remunerations, the BoD, however, shall retain total individual and collective responsibility to act for the interests of the Company and to support and protect these interests. Any dispute between the members of the BoD, including the dispute between the members of the Nomination and Remuneration Committee and the BoD should be resolved after discussion at a BoD's meeting.

### III. Type, composition and term of office of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a Committee of the BoD and consists exclusively by non-executive members of the BoD.

The Nomination and Remuneration Committee consists of at least three (3) members, appointed by the BoD. All these members are non-executive members of the BoD and in their majority independent from the Company, according to the meaning of the provisions of L.4706/2020, whereas as President of the Committee is appointed an independent non-executive member. The members of the Nomination and Remuneration Committee, in whole, possess and demonstrate sufficient knowledge in the field where the Company operates.

The term of the members of the Nomination and Remuneration Committee is in line with the term of the members of the BoD. The term of the members of the Nomination and Remuneration Committee may be renewed only once.

The President of the Nomination and Remuneration Committee is elected by the members of the Committee at its relevant inaugural constitutive sitting and is selected among its independent members within the meaning of the provisions of L.4706/2020. The member of the Committee appointed as its Chairman should have served in the Committee as its member at least for one year, unless the Committee has not been established or has not operated in the previous year. If the Chairman of the BoD is a non-executive member, he/she may be a member of the Committee, but he/she is not allowed to chair in it, in case he/she is not independent. In case the Chairman of the BoD is a member of the Nomination and Remuneration Committee, he/she is not allowed to participate in the determination and calculation of his/her remuneration amount.

The participation in the Nomination and Remuneration Committee does not exclude the possibility of participation of the members in other committees of the BoD as well, who are not involved in the daily administration and management of corporate affairs.

The members of the Committee should not hold parallel posts or tasks, nor should they carry out transactions that could be considered as inconsistent with the purpose of the

Committee.

In case of resignation, death or loss of the title of the member, the BoD shall appoint among its existing members, a new member in replacement of the missing one, for a period of time until the expiry of his/her term, pursuant, if applicable, to the provisions of par.1 and 2 of article 82 of L.4548/2018 (A'104), which apply mutatis mutandis.

#### IV. Duties and tasks of the Nomination and Remuneration Committee

The duties of the Nomination and Remuneration Committee shall be specified, taking into account, beyond the applicable legislative framework, the specific conditions and needs of the Company as well, such as the size, the ownership structure, the organisational complexity, the risk profile, the particularities of the relevant market.

For the fulfilment of its purpose, the main duties of the Nomination and Remuneration Committee are the following:

- It participates in the determination of the selection criteria and of the procedures for the election of the members of the BoD;
- It submits proposals for the Diversity Policy, including the gender balance;
- It submits proposals to the BoD for the election of its candidate members within the framework of the approved Fit and Proper Policy. The procedure of submission of nominations for the election of members by the Nomination and Remuneration Committee is clearly specified and is applied transparently and in a way that its effectiveness is established and founded;
- It carries out the procedure for nomination (identification and selection) of candidate members of the BoD within the framework of the approved Fit and Proper Policy;
- It suggests to the Board of Directors the approval of the Fit and Proper Policy, and monitors its application and implementation;
- It submits proposals to the BoD for the revision of the Fit and Proper Policy, in case it is required;
- It examines periodically and consistently the renewal requirements of the Board of Directors. It assesses periodically the size and the composition of the BoD and submits proposals for review and examination in relation to its desirable profile;
- It assesses the existing qualifications, knowledge, opinions, skills, experience balance related to the corporate objectives as well as the gender balance and on the basis of this assessment, it describes the role and the skills required for the filling of vacant posts;
- It informs the Board of Directors about the results of the implementation of the Fit and Proper Policy as regards the members of the BoD and about the taking of any steps in case of deviations;

- It examines and reviews the Annual Remunerations Report of the members of the BoD, providing its opinion to the Board of Directors before submitting the Report to the General Meeting of Shareholders, pursuant to article 112 of L.4548/2018;
- It specifies the remuneration system applicable to the members of the Board of Directors, and the senior executives/managers of the Company, who are also members of the Executive Committee or at grade 11 and above, and the remuneration of the Head of the Internal Audit Unit, and proceeds to a relevant proposal with regard to the aforementioned to the Board of Directors, that it decides on these issues or/and makes relevant proposals/suggestions to the General Meeting of Shareholders, where this is required.
- It submits proposals to the BoD about the revision of the Remuneration Policy submitted for approval to the General Meeting of Shareholders, pursuant to art. 110 par.2 of L.4548/2018;
- It informs the BoD about the results of the implementation of the Remuneration Policy for the members of the BoD and about the taking of any steps in case of deviations;
- It submits proposals to the BoD in relation to remuneration policy of the Managers of the Company, who are members of the Executive Committee or at grade 11 and above and of the Head of the Internal Audit Unit.
- It specifies under optimal policies the assessment parameters and chairs in the meetings regarding the following cases:
  - The assessment of the work of the Board of Directors as a body;
  - The individual assessments of the CEO and the Chairman;
  - The succession plan of the CEO with due diligence of the Committee as regards the detection of the required qualifications that the person of the CEO should possess, constant monitoring, control and finding of possible internal candidates, and provided it is deemed as necessary, the searching of possible external candidates and a discussion with the CEO as regards the assessment and evaluation of the candidates for the position of the Chief Executive Officer and for other positions of senior executives;
  - The succession plan for the members of the Board of Directors;
  - The targeted profile for the composition of the Board of Directors in relation to the strategy and the Fit and Proper Policy of the Company.
- It cooperates with the Chairman of the Board of Directors on the annual performance and efficiency assessment procedure of the Board of Directors, the fulfillment of its duties as well as its Committees.

## V. Operation of the Nomination and Remuneration Committee



- The Committee shall meet ordinarily, at least twice annually or/and extraordinarily, whenever required, shall keep the minutes of its meetings and shall submit reports to the BoD, if it is considered necessary;
- The meetings are held at the Company's registered seat or in analogy to what is provided for the BoD under article 90 of L.4548/2018;
- The Nomination and Remuneration Committee is in quorum, when at least two of its members are present;
- The issues of the agenda shall be communicated to each member at least one week prior to the meeting. The relevant documents may be transmitted via e-mail as well;
- The Committee may invite to its meetings any person (employee of the Company, partner) whom it considers as capable of contributing in the execution of its work;
- The discussions and resolutions of the Nomination and Remuneration Committee shall be recorded in minutes pursuant to article 74 of L.4706/2020, which must be signed by the members present at the meeting, pursuant to Article 93 of L.4548/2018;
- The duties of the Secretary of the Nomination and Remuneration Committee are exercised by the Secretary of the BoD;
- The Nomination and Remuneration Committee may use the services of external advisors, and, subsequently, adequate assets should be disposed to the Committee for this purpose;
- The Nomination and Remuneration Committee has uninterrupted and full access to the information needed upon exercise of its duties and disposes of the resources that are required for the implementation of its work;
- The Nomination and Remuneration Committee shall not substitute any existing Committee established and operating at a Company's subsidiary, but it may consult this existing Committee on a case-by-case basis;
- The members of the Nomination and Remuneration Committee receive remunerations according to the approved by the General Meeting and applicable Remuneration Policy of the Company;
- The Nomination and Remuneration Committee shall apply a procedure for the periodical assessment of the effectiveness of its operation.

This Charter shall enter into force after its approval by the BoD of the Company. The revision of the Charter of the Nomination and Remuneration Committee is made whenever required.

This Charter of the Nomination and Remuneration Committee is published in the website of the Company (<http://www.fourlis.gr>).