

# PREMIA

*Properties*

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

**APRIL 2021**

## Contents

1. Introduction .....	3
2. Purpose .....	3
3. Scope .....	3
4. Definitions .....	4
5. Approval, amendment and disclosure .....	4
6. General principles .....	4
7. Governance - Competent bodies .....	5
8. Criteria for Assessing Suitability.....	7
8.1 Individual Suitability.....	7
8.1.1 Adequate knowledge and skills.....	7
8.1.2 Character and Repute .....	8
8.1.3 Conflict of interest.....	8
8.1.4 Independence of mind .....	8
8.1.5 Sufficient time dedication .....	9
8.2 Collective Suitability.....	9
8.2.1 General.....	9
9. Diversity .....	10
10. Implementation, monitoring & amendments .....	10

## **1. Introduction**

The Suitability Policy (hereinafter the "Policy") for the members of the Board of Directors (hereinafter "the BoD") is part of "PREMIA REAL ESTATE INVESTMENT COMPANY"'s (hereinafter "Company") Corporate Governance System. It aims to attract and retain competent individuals who will ensure sound and effective management that will benefit the Company and all stakeholders and help achieve its strategic corporate goals.

The Policy has taken into account provisions of law 4706/2020 and Circular 60/18.09.2020 of the Hellenic Capital Market Commission "Guidelines on the Policy of article 3 of Law 4706/2020". The Company will ensure that members of its Bod shall at all times possess:

- (a) professional qualifications, knowledge, skills, independence of mind, reputation, and experience to exercise solid and consistent management; and
- b) ethics, repute, and integrity.

## **2. Purpose**

The Policy's aim it to ensure the BoD are qualified and efficiently operate and fulfil the Company's overall strategy with a forward looking into business long-term pursuits in order to further enhance the corporate interest.

This Policy's main objectives are to:

- outline the principles and rules on selecting, replacing or renewing the term of office of the BoD.
- outline the criteria for the evaluating of the BoD suitability and reliability; define the minimum required supporting evidence that document these criteria and last ensure that these criteria are met.
- ensure the BoD' s efficient operation and performance, as the Company's highest governing body, responsible for outlining the strategy, supervising the management and be in command.
- promote transparency during all stages of valuating the BoD suitability and reliability, both before they are appointed and periodically.
- determine cases where the BoD suitability and reliability must be reviewed as well as relevant procedures.
- minimise potential business risks that could arise from assigning tasks to unsuitable and unreliable persons.
- apply diversity criteria for the selection of the BoD.

## **3. Scope**

The Company falls within the scope of Articles 1-24 of Law 4706/2020 and therefore must have a Suitability of the BoD Policy.

#### 4. Definitions

<i>Suitability</i>	<i>Individual and collective suitability are discerned.</i>  <i>Individual suitability is the degree to which a Board member is considered to have adequate knowledge, skills, experience, independence of mind, ethics and a good reputation to perform their duties as a Board member, following the eligibility criteria set by the corporate Suitability Policy. Collective suitability is the suitability of the BoD as a whole.</i>  <i>This Policy determines all principles and criteria applied at a minimum when selecting, replacing and renewing the term of office of the BoD, under the light of evaluating individual and collective suitability.</i>
<i>Credibility</i>	<i>Honesty, responsibility, ethics, integrity and financial soundness.</i>

#### 5. Approval, amendment, and disclosure

The Policy is approved by the BoD according to Article 3, paragraph 1 of Law 4706/2020 and is submitted for approval by the General Assembly according to Article 3, paragraph 3 of Law 4706/2020. Policy amendments are approved by the BoD, and where required, they are approved by the Company's General Assembly according to Article 3, paragraph 3 of Law 4706/2020. Amendments of significance that alter the Policy content, particularly the general principles and relevant criteria, are considered substantial.

The current Policy is published on the Company's website.

#### 6. General principles

The BoD composition must at all times be comprised of the appropriate number of members, as clearly defined in the Company's Articles of Association.

The Company seeks the staffing of the BoD with persons who possess ethics, reputation and increased credibility.

Members of the BoD have the knowledge, skills, experience and independence of mind required to perform their role and duties on the BoD while having sufficient time to perform these duties.

Individual and collective suitability shall be considered when selecting, renewing the term of office or replacing a member.

Prospective Members of the BoD should be aware of, amongst other things, the Company's corporate culture, values and general strategy before taking up their position on the BoD.

The Company constantly monitors the suitability of the BoD to identify the need any to re-assess their suitability. Re-assessing the members suitability is strongly advised in the following cases:

- a) when doubts arise regarding the individual suitability of the BoD or the suitability of the composition of the body.
- b) in case of a significant impact on the reputation and credibility of a Board member,
- c) on any occurrence of an event that may significantly affect a Board member's suitability, including cases in which members do not comply with the corporate Conflict of Interest Policy. The BoD ensures the appropriate succession plan to allow a smooth continuation of managing corporate affairs and decision-making following the exit of Members of the BoD, especially executive members and committees' members.

A condition for assigning or retaining administration and representation powers of the Company to third parties is that no final order has been issued attributing fault for loss-inducing transactions of a société anonyme by law 4548/2018, listed on a regulated market or a multilateral trading facility or unlisted with related parties, within one (1) year before or after their appointment. The articles of association may provide for a more extended period of such time. Every prospective member submits a solemn affirmation stating that no such impediment exists, and any Board member shall make such final order, in case one occurs, known to the Company without delay.

If one or more of the suitability criteria ceases to be fulfilled for a Board member, for reasons that this person could not prevent even by exercising extreme diligence, the competent corporate body proceeds immediately to deprive this person of office and replace them within three (3) months.

## **7. Governance - Competent bodies**

The Company's Bodies assume the following responsibilities per Body on adopting, monitoring, applying and reviewing the Policy:

### **A. Shareholders General Assembly**

- Approves Policy and substantive amendments.

### **B. Board of Directors**

- Approves Policy and substantive amendments and submits them to the General Assembly.
- Approves any other revision that is not considered substantive,
- Selects prospective Members of the BoD and ultimately approves their assessment

- Cooperates with Board Committees and the Company's departments responsible for overseeing the correct and consistent implementation of the Policy.
- Determines any further actions that must be taken following the evaluation of the BoD and finding that one or more of the suitability criteria are no longer met.

### **C. Remuneration & Nomination Committee**

- Proposed prospective directors' to the BoD, with the assistance of the Head of the Regulatory Compliance Unit, where applicable.
- Selects candidates considering requirements and criteria set out in this Policy.
- Determines the Company's requirements concerning the BoD size and composition and proposes changes/ improvements where necessary.
- Defines the criteria for the nomination of candidacies and formulates responsibilities and skills of each position in the BoD.
- Evaluates the process of nominating prospective Members of the BoD and proposes their appointment to the General Assembly.
- Assesses suitability of prospective Members of the BoD (may use the assistance of an external consultant) and submits the relevant report to the BoD.
- Informs the Head of the Regulatory Compliance Unit when considering the appointment of a Board member or there is a change of the existing Members of the BoD, to ensure that notifications under the current regulatory framework are made.
- Keeps a record of supporting documents on the assessment process of Members of the BoD, both when they are appointed and periodically.

### **D. Head of Regulatory Compliance Unit**

- Assists competent corporate bodies in consistently following the Policy.
- Informs the Hellenic Capital Market Commission on Policy issues.
- Monitors the institutional framework and submits proposals to the Nominations Committee and the BoD to update and align the Policy with any regulatory developments.
- Communicates the Policy to the BoD. Keeps record of on acceptance of notifications.
- Receives and checks the content of the solemn affirmations provided above in paragraph 6 hereof and informs the Nominations Committee and the BoD.

### **E. Internal Audit Unit**

- As an independent unit, it monitors that the Policy is adequately and effectively followed.

## **8. Criteria for Assessing Suitability**

### **8.1 Individual Suitability**

Individual suitability of the BoD members is evaluated, particularly following the criteria set out below. These are general criteria applied to all Members of the BoD, regardless of their capacity, as executive, non-executive or independent non-executive members.

Special impediments, obligations, and conditions (such as those outlined on Article 3, paragraphs 4, 5 and 6 and Article 9, paragraphs 1 and 2 of Law 4706/2020 and Article 44, paragraph 1 of Law 4449/2017) also apply regardless suitability criteria.

#### **8.1.1 Adequate knowledge and skills**

The BoD members possess the necessary knowledge, skills, and experience to perform their duties according to the skills the position requires. Required experience applies to both practical & professional and theoretical knowledge.

To assess a member's theoretical knowledge, the level and type of education (field of study and specialization) are considered, especially if it is aligned with the Company's operations or other related industries.

Practical experience applies to the member's previous positions and type of employment, also considering the length of their stay in each position, the size of the organisation for which they worked, the scale and complexity of the business activity, responsibilities held, number of subordinates, nature of operations, etc.

When assessing the adequacy of knowledge and skills, the following may be considered:

- (a) the role and tasks of the job and the skills required,
- b) knowledge and skills acquired through education and training,
- (c) previously acquired practical and professional experience, and
- d) the knowledge and skills acquired and demonstrated by the professional conduct and development of the BoD member.

Assessment is not limited to the member's academic qualifications or the documentation of a specific length of service. Instead, a thorough examination of the member's experience and training is recommended, as the knowledge and skills acquired from previous employment depend on the nature, scale and complexity of the business, and the duties performed and the degree of their responsibility.

Adequate practical and professional experience of executive Members of the BoD may have been acquired either through past experience or having relevant business [performance in the relevant field for a sufficient period of time.

It is strongly advised that members of the BoD are aware of and clearly understand the Company's corporate governance as it derives from the relevant legislation, its Corporate

Governance Code and Rules of Procedure; their respective roles and responsibilities both as members of the BoD and as members of the BoD 's committees; and the BoD 's structure and possible conflicts of interest.

### **8.1.2 Character and Repute**

Members of the BoD should be distinguished for their good repute and character, particularly evidenced through their honesty and integrity.

A member of the BoD is presumed to be of a good repute, possessed by honesty and integrity, provided there are no objective and proven reasons to suggest otherwise.

To assess the repute, honesty and integrity of a prospective or existing Board member, the Nominations Committee may conduct an investigation and, subject to the legislation on personal data protection, request information and relevant supporting documentation for any final administrative decision or judicial order against him, in particular for infringements and offences related to their capacity as Board member or non-compliance with the Hellenic Capital Market Commission legislation or in general for financial crime. Without prejudice to the provisions of Article 3, paragraphs 4 and 5 of Law 4706/2020, the relevance of the offence or action to the member's role, the seriousness of the offence or action, the surrounding circumstances including extenuating factors, the role of the involved individual, the sentence imposed, the stage reached, and any remedial measures implemented may be particularly considered for such assessment. It would also be necessary to consider the time elapsed and the person's conduct following the offence.

When assessing, the Company may also consider any decision of any competent authority disqualifying the prospective member from acting as a Board member.

### **8.1.3 Conflict of interest**

The Company adopts and implements a Conflict of Interest Policy under paragraph 3 (g) of Article 14 of Law 4706/2020. Before adopting suitability criteria, it is ensured that the Conflict of Interest Policy includes, at least for the members of the BoD, procedures for preventing a conflict of interest, measures for identifying and managing conflict of interest and any cases and conditions under which, exceptionally, a Board member would be accepted to have conflicting interests, provided that the member's interests be significantly limited or properly managed.

All actual or potential conflicts of interest at the BoD level are subject to adequate disclosure, discussion, documentation, decision-making and proper administration with the aim to be restricted and eliminated.

### **8.1.4 Independence of mind**

It is essential to ensure that each Board member acts with independence of mind. However, a lack of a conflict of interest does not necessarily mean that the member acts with independence of mind. "Independence of mind" or "independence of judgment" is a standard during discussions and decision-making within the BoD meetings and is required for each of its members, regardless of whether the member is "independent" per Article 9 of Law



4706/2020. All members of the BoD must take an active part in the meetings and make their own sound, objective and independent decisions and judgments when performing their duties.

Objectivity is defined as the impartial attitude and mentality, which allows the BoD member to perform their role as themselves see fit, and not accept the quality of such work to be compromised. Independence means the exemption from conditions that prevent the BoD member from performing their duties with fairness.

When assessing independence of mind, the Company considers whether all Members of the BoD possess the necessary behavioral skills, including:

- (a) forwardness, confidence and resilience to effectively assess or challenge other Members of the BoD proposals or opinions,
  - (b) the ability to pose well-founded questions to Members, especially executive ones, and exercise constructive criticism, and
- ii) the ability to resist groupthink.

#### **8.1.5 Sufficient time dedication**

Every Board member must dedicate sufficient time to perform their duties according to the position, role and commitments they have undertaken. To determine the adequacy of time, the member's capacity and responsibilities assigned, the number of the Company's Board Committees or Boards and Board Committees of third companies on which they sit, deriving capacities they possess at the same time, and other professional or personal commitments and conditions will be taken into account.

The Company informs each prospective Board member on the time they are expected to dedicate to their duties and attend meetings of the Board or any Board committees in which they may sit.

### **8.2 Collective Suitability**

#### **8.2.1 General**

The BoD should be suitable for discharging its responsibilities and be composed in such a manner as to contribute to the Company's effective administration and balanced decision-making.

Collectively, Members of the BoD should be able to make appropriate decisions considering the business model, risk appetite, strategy and markets in which the Company operates. In addition, Members of the BoD are collectively required to substantially monitor and challenge the decisions of senior corporate executives.

It is recommended that all knowledge domains required for the Company's business activities be covered by the BoD collectively with sufficient expertise among its members. It is advisable that there be an adequate number of knowledgeable members in each domain to allow

discussion on the decisions to need to be taken. The BoD must collectively have the necessary presentation skills.

The composition of the BoD reflects the knowledge, skills and experience required to exercise its responsibilities. Therefore, collectively the BoD must adequately understand the areas for which the members are collectively accountable and to have the necessary skills to exercise the actual management and supervision of the Company, including in terms of:

- its business operations and related main risks
- its strategic planning
- financial reporting
- compliance with the legislative and regulatory framework
- understanding corporate governance matters
- capability to recognise and manage risks
- technology impact on its operations
- adequate gender representation

The BoD bears the primary responsibility for identifying shortcomings in terms of collective suitability. To this end, the BoD conducts a self-assessment. An evaluation of the BoD from a third-party consultant is also desirable.

## **9. Diversity**

The Company follows a diversity policy to promote an appropriate level of diversification and an inclusive group of directors in the Board. By accumulating a wide range of qualifications and skills when appointing Members of the BoD, the variety of views and expertise that allow for the right decisions is ensured.

To this end, adequate gender representation of at least twenty-five per cent (25%) of the total Members of the BoD, as well as not excluding members on the grounds of sex, race, colour, ethnic or social origin, religion or belief, wealth, birth, disability, age or sexual orientation, have been taken into account when appointing new Members of the BoD.

The Nomination Committee considers this criterion when submitting proposals for the appointment of Members of the BoD. The Company generally ensures equal treatment and equal opportunities between the sexes. It is noted that beyond the selection of Members of the BoD, this principle also extends in providing training to the members.

## **10. Implementation, monitoring & amendments**

The Company aligns this Policy with its general corporate governance framework, corporate culture and risk appetite it has defined and follows the necessary procedures to implement it.

The BoD is responsible for monitoring the implementation of the Policy. To this end:

The Company's Regulatory Compliance Unit is responsible for the regular monitoring and evaluation (at least annually) of the extent to which an amendment may be required, taking into account its effectiveness so far and any possible changes in the pertinent legal and regulatory framework. It recommends its revision to the BoD to achieve its objectives more effectively. The BoD shall consider the amendments proposed by the relevant departments before these are finalised.

In addition, the Internal Audit Unit monitors, controls and evaluates the observance of the present procedure, and its relevant findings are included in the periodic Internal Audit Reports, and in any case, in the annual report it submits to the Audit Committee and the BoD.

Lastly, the Head of the Regulatory Compliance Unit keeps a record with documentation of the approval of the Policy and any amendments.