



**SUITABILITY POLICY FOR BOARD  
MEMBERS OF “INTRALOT SA INTEGRATED  
LOTTERY SYSTEMS AND SERVICES”**

**Effective Date** : **29 June 2021**

**Version** : 1.0

**Approval** : Ordinary General Shareholders Meeting dated 29/06/2021

**Document’s Recipients** : The approved Policy has been uploaded on the Company's website according to par. 3 of article 3 of L. 4706/2020

## TABLE OF CONTENTS

1. <u>INTRODUCTION</u> .....	3
2. <u>PURPOSE OF THE POLICY</u> .....	3
3. <u>SCOPE OF THE POLICY</u> .....	4
4. <u>ROLES AND RESPONSIBILITIES</u> .....	4
5. <u>COMPOSITION</u> .....	4
6. <u>MEMBERS' SELECTION</u> .....	5
7. <u>TRAINING</u> .....	5
8. <u>SUCCESSION PLAN</u> .....	6
9. <u>EVALUATION CRITERIA FOR THE SUITABILITY OF DIRECTORS</u> .....	6
10. <u>MONITORING AND INSPECTION OF IMPLEMENTATION</u> .....	11
11. <u>APPROVAL AND PUBLICITY</u> .....	12

## **1. INTRODUCTION**

This Suitability Policy (hereinafter the “Policy”) for members of the Board of Directors (hereinafter the “Board”) of the company “**INTRALOT SA INTEGRATED LOTTERY SYSTEMS AND SERVICES**” having the distinctive title “**INTRALOT**” (or hereinafter “Company”) defines the basic principles and framework for selecting, renewing the term and replacing members of the Board as much as the criteria which have been set for that purpose.

The Policy is fully in line with the applicable provisions of Greek law on corporate governance of societies anonymes and in particular the provisions of Article 3 of Law 4706/2020 (hereinafter the “Law”) and Hellenic Capital Market Commission Circular No. 60/2020 and the Company’s Articles of Association (hereinafter the “Articles of Association”).

While preparing the Policy, the purpose of the company, its nature and complexity of the Company’s activities as much as its size and internal organisation have been taken into consideration. The Policy will always be in line with the Corporate Governance Code (hereinafter the “Corporate Governance Code”), as adopted in the Company’s corporate governance statement from time to time, in accordance with the provisions of Article 152 of Law 4548/2018 and Article 17 of Law 4706/2020.

The Policy reflects the commitment and objectives of the Company regarding the implementation of best corporate governance practices through the quality staffing of the Board with suitable persons and as guided by the promotion of the corporate interest, the development and competitiveness of the Company.

## **2. PURPOSE OF THE POLICY**

The purpose of the Policy is:

- To define general principles and guidelines for the Remuneration and Nominations of the Board Committee (hereinafter the “Committee”) to select, evaluate and propose candidate members to the Board.
- To define criteria for the evaluation of the personal and collective suitability of Directors.

### **3. SCOPE OF THE POLICY**

The Policy applies to members of the Company's Board of Directors in accordance with Article 3 of Law 4706/2020.

It also applies to third parties to whom powers of representation of the Company are delegated in relation to the eligibility restrictions provided in Article 3(5) of the Law (non-issuance of a final court decision acknowledging their responsibility for prejudicial transactions).

The basic principles of the Policy may be used as a reference point for selecting Directors of all subsidiaries of the Company, current or future (hereinafter the Company and its subsidiaries collectively the "Group") and the senior executives of the Company.

### **4. ROLES AND RESPONSIBILITIES**

The Board is responsible for the commencement, guidance and coordination of the process of nominating suitable candidates as Directors, without prejudice to the rights of shareholders. The Committee assists the Board to this procedure.

The Committee is advisory to the Board of Directors identifying candidates who in its opinion are fit and proper for their appointment as Directors.

The Committee evaluates the fulfillment of the relevant criteria by the candidates and submits its proposals to the Board, which further proposes, according to the proposals of the Committee, to the General Meeting of Shareholders the candidates as members of the Board to be elected in accordance with article 78 of Law 4548/2018 and the Articles of Association or the Board elects a new member in replacement of another one whose position became vacant in accordance with article 82 of Law 4548/2018 and the Articles of Association.

### **5. COMPOSITION**

The Board of the Company consists, according to the Articles of Association, from seven (7) up to eleven (11) members. According to the provisions of the legislation on corporate governance, the Board consists of executive and non-executive members, including non-executive independent members.

## **6. MEMBERS' SELECTION**

The Committee will propose nominations of persons it considers fit to become members of the Board, in accordance with the criteria set out in the Policy. The suitability is determined in relation to the criteria of the Policy for the candidate members (at individual and collective level) and the current needs for the composition of the Board. For Policy purposes, suitability is defined as the degree to which an individual is considered that:

A) has sufficient knowledge, skills and experience to perform his/her specific duties as a member of the Board.

(B) has a good reputation, honesty, integrity, social recognition and independence of judgment.

(C) has the ability to allocate sufficient time to perform his duties.

In addition, the members of the Board as a whole must have the knowledge, skills, experience, as well as the diversity required to exercise the duties of the Board.

The Committee formulates the selection criteria in the implementation of this Policy, so that the qualifications, knowledge, and experience of the candidates to add to those of the other already existing members of the Board.

The candidate members are among the successful executives of the business, academic and wider social environment with experience in their fields of activity and expertise.

During the selection, the renewal of the term and the replacement of a member, the evaluation of the individual and collective suitability of the Board of Directors is taken into account, as well as the understanding by the candidate member of the culture, values and general strategy of the Company.

## **7. TRAINING**

The purpose of the introductory training is for the new members to acquire the soonest possible the level of knowledge and understanding on corporate issues that will assist them in order to perform their duties effectively.

The Committee, following an appropriate relevant procedure, introduces the members of the Board of Directors, to the extent possible, before taking up their duties, inter alia, in the business model, values, structure, culture and general strategy of the Company.

As it is taken care that each new member is informed about the corporate governance system of the Company, the internal operations regulation of the Company and the regulations of the committees in which he/she will participate.

The information and training of the members of the Board regarding the legislative developments and the market environment in which the Company operates and any other related object is continuous, however the members of the Board should regularly be updated on their own, regarding the business developments and the most important risks, to which the Company is exposed.

## **8. SUCCESSION PLAN**

The Board ensures for the Company the appropriate succession plan, for the smooth continuation of the management of its affairs and decision-making after the withdrawal of members of the Board. Specifically, the Committee supports the Board in the planning and scheduling of its smooth succession and continuity, taking into account any restrictions by law, such as, for example, the restriction of article 9 of the Law on the term of office of independent non-executive members of the Board to maintain the status of independence (i.e nine financial years in total).

## **9. EVALUATION CRITERIA FOR THE SUITABILITY OF DIRECTORS**

### **9.1. Individual Suitability**

#### ***i. Eligibility - Non-contribution of fault for prejudicial transactions***

Each candidate member of the Board (or a candidate to be assigned management and representation powers of the Company), submits a declaration, addressed to the Company, that there is no impediment due to the issuance of a final court decision acknowledging his guilt for prejudicial transactions of both listed and unlisted companies of L. 4548. / 2018, with affiliated parties, within one (1) year before the election or the assignment of powers respectively.

Each member of the Board (or a person who has been entrusted with management or representation power) notifies the Company without delay of the issuance of a relevant final court decision.

A prerequisite for the election or retention of a BoD membership of the Company as well as for the assignment of management and representation powers of the Company to third parties, or for the maintenance of the relevant assignment in force, is that the above final court decision has not been issued pursuant to paragraphs 4 and 5 of article 3 of the L. 4706/2020.

*ii. Conflict of interests*

Conflict of interest is defined as the situation in which the personal relations, external activities or interests of a Board member conflict with the interests of the Company or affect or could influence the judgment of that member in decision-making, in such a way as to cause a substantial risk of harm to the interests of the Company and / or its customers and / or other third parties with which the Company transacts in the context of its activities.

The Committee and the Board of Directors must ensure that any professional, personal or other interests of Directors do not conflict with the interests of the Company and companies associated with it.

Each member of the Board which is under evaluation must declare any real and / or potential conflicts of interest with those of the Company, and affiliated companies. In the event that the relevant situations that create a conflict of interests are important and are not of an individual nature, the candidate in question may not be nominated and elected as a member of the Board.

*iii. Adequacy of knowledge and skills*

Directors shall have the necessary knowledge, skills and experience required to perform their duties in view of the role they have assumed. The experience relates the academic knowledge and the practical and professional experience.

In this case, in the context of assessing adequate knowledge and skills, the following may be examined:

- a) the role and duties of the position of Director and the skills required;
- b) the knowledge and experience obtained through education (studies area and specialisation) and training;
- c) the practical and professional experience obtained in the past; and in particular the previous positions and the type of employment held by the member, and
- d) knowledge and skills obtained and demonstrated by the director's professional conduct and development of the BoD member.

*iv. Morality and reputation*

The morality, honesty, frankness, integrity and good reputation of Directors are criteria of the utmost importance for the Company. In this context, all Directors shall stand out for

their good reputation and morality, which shall be primarily determined by their honesty and integrity.

A Director is presumed to have a good reputation, honesty and integrity if during the inquiry which the Company will carry out to ascertain his/her suitability, there is no evidence which objectively calls into doubt his/her morality and reputation.

In order to assess the reputation, honesty and integrity of a prospective or current director, the Company may conduct an inquiry and, without prejudice to personal data protection legislation, may request information and relevant supporting documents regarding any final court judgments against them, particularly with regard to infringements and offences associated restrictively with:

- a) their capacity as a Director;
- b) non-compliance with the provisions of the legislation of the Hellenic Capital Market Commission, including money laundering, corruption, market manipulation or insider dealing;
- c) financial crimes in general.

Without prejudice to the provisions of Article 3(4) and (5) of Law 4706/2020, with regard to the assessment in question, particular account may be taken of the relevance of the offence or the measure to the role of the director, the severity of the offence for which the director or prospective director was convicted by final judgment, the general circumstances, including mitigating factors, the role of the person involved, the penalty imposed, the stage the proceedings reached and any remedial measures implemented.

During the assessment, the Company may also take into account any decision issued by any competent authority to bar the prospective director from serving as a director.

#### v. Independence of judgement

Independence of judgement means exemption from conditions which prevent a Director from carrying out his/her duties in an impartial manner and a mentality which allows a member of the Board to actively engage in the performance of his/her duties and to formulate his/her own correct, objective and independent decisions and determinations when performing his/her duties and duties.

“Independence of mind” or “independence of judgement” is a model of behaviour during discussions and decision-making within the Board, in the sense that each Director must actively participate in meetings, taking his/her own objective and independent decisions and making judgements in the performance of his/her duties, and is required for each Director.

When evaluating the “independence of judgement” referred to in the previous paragraph, the Company shall examine, whenever considered necessary, whether the Directors have the necessary behavioural skills, including but not limited to:

- (i) the courage, belief and fortitude to meaningfully evaluate and challenge the proposals or views of other Directors;
- (ii) the ability to put questions to Directors under its executive authority and in particular to its executive members and exercise constructive criticism,
- (iii) the ability to withstand the ‘groupthink’ phenomenon.

Groupthink is a way of thinking in which members of a group tend to accept opinions or conclusions that seem to represent the group unanimously, regardless of whether its members believe they are valid, correct, or optimal. Groupthinking reduces the collective effectiveness of problem solving or group decision making.

#### vi. Allocation of sufficient time

All Directors must be able to commit the time required to perform their duties on the basis of their role and the duties assigned to them in the context of the Board’s activities in normal activity periods as much as particularly high activity periods of the Company, when more time may be required (e.g. acquisitions, mergers, restructuring, difficulties).

In order to determine the adequacy of time, the capacity and competences assigned to the Director, the number of positions as a director of other companies, the size and complexity of those companies and the roles held by that member simultaneously (whether executive or not) and other professional or other activities and duties shall be taken into consideration.

The Committee shall monitor whether the members of the Board devote sufficient time to the performance of their duties. The preparation for meetings, the presence and active participation of members in Board meetings are all indicators of time commitment.

The Committee keeps a record of all external professional positions held by Directors. The file is updated each time a Director notifies the Company of a change and in all events when those changes come to the Committee's knowledge.

Where changes are made to the said positions which may reduce the ability of a Director to dedicate sufficient time to performing his/her duties, the Committee shall re-assess the member’s ability in relation to the time commitment required.

The Company informs each prospective director about the expected time required to perform his/her duties.

## **9.2. Collective Suitability**

Collective suitability means the suitability of all members of the Board of Directors so that it effectively exercises its leading role in corporate affairs, managing corporate affairs for the benefit of the company, shareholders and all stakeholders and ensuring that management implements corporate strategy. The Board shall be suitable in order to carry

out its responsibilities and shall be composed in a way that contributes to the effective management of the Company and to balanced decision-making.

During the selection of candidate Board members, the Nomination Committee should nominate candidates whose election ensures that the Board, as a collective body, has in particular the following characteristics:

- Has a full understanding of the structure and dynamics of the Company and the Group, as well as the main markets in which the Group operates. Also, the members of the Board are aware of future trends in gaming markets in general.
- Has experience and is able to contribute to the development prospects of the Company and the Group in the various geographical areas of activity of the Group.
- Has significant experience from the business and professional world, as well as from the wider social environment.
- The Board members have a widely recognized ability to form a judgment on important and delicate issues, such as those on which the Board is called to make decisions, taking into account the business model, risk-taking, strategy and markets in which the Company operates, as well as to carry out effective monitoring and critique of the decisions of senior management.

Members of the Board of Directors collectively must have adequate knowledge and experience in all the cognitive sectors covered by the Company's business activities in implementation of its business strategy, so as to make it possible to take well-documented and well thought out decisions. These areas are the following as a minimum:

- the Group's sectors of activity.
- auditing, accounting and financial management;
- corporate governance.

### **9.3 Diversity criteria**

The Company has and implements a diversity policy, aiming at promoting a suitable level of diversity within the Board and achieving an inclusive set of directors. The collection of a wide range of qualifications and skills when selecting directors ensures a variety of opinions and experiences, with a view towards proper decision-making.

This Policy includes the key diversity criteria applied by the Company when selecting Directors and are key priorities (diversity objectives) of the Company, including at least:

a) adequate gender representation - at least twenty five percent (25%) of the total number of directors must be of the other gender. (In case of fraction this percentage is rounded to the previous whole number)

b) ensuring equal treatment and equal opportunities for all potential Directors, irrespective of gender, race, colour, national, ethnic or social origin, religion or belief, assets, birth, marital status, disability, age or sexual orientation.

## **10. MONITORING AND INSPECTION OF IMPLEMENTATION**

The Board is responsible for monitoring implementation of the Policy. The Committee shall ensure that it is implemented with the assistance of the competent services / divisions or other committees of the Company and external advisors in each case.

The description of the Policy with regards to the diversity policy applied to Directors, the Policy objectives, the manner in which it is implemented, and its results are included in the Company's Annual Corporate Governance Statement in implementation of Article 152 of Law 4548/2018 and Article 18 of the Law.

The Policy implementation inspection is carried out in the context of the annual evaluation of the Board's collective suitability once a year or each time there is an event which necessitates re-evaluation such as:

- 1) when doubts arise regarding the individual suitability of directors or the collectively suitability of the Board and its committees;
- 2) when an event significantly impacts the reputation of a director;
- 3) when an event occurs, which could significantly affect the Director's suitability;
- 4) where there are major changes in the Company's strategy and structure;
- 5) in all cases of significant changes in the line-up of the Board, including:
  - the appointment of new members, e.g. as a result of a direct or indirect acquisition or increase in the Company's shareholding;
  - redefining or reallocating the roles of Directors if the requirements of positions have changed or if members are appointed to a different position within the Board;
  - the establishment of new BoD committees.

The Committee fully records and evaluates the results of the above procedure and proposes to the Board relevant corrective actions.

If the evaluation or re-evaluation concludes that a Director is not fit and proper for performing his/her duties on the Board of Directors, and easily identifies rectifiable shortcomings relating to the Director's knowledge and skills, appropriate corrective measures should be taken to address those shortcomings in good time. The support of an external consultant can be used for this purpose. Otherwise, the competent corporate body shall immediately remove and replace the Director within three (3) months, in accordance with the provisions of Article 6(3) of the law.

If the assessment or re-assessment concludes that the Board is not collectively fit and proper, appropriate corrective measures should be taken to address the recognised corrective measures in a timely manner. Suitable corrective measures may include but are not limited to:

- adjustment of competences between Directors and/or the Board's committees;
- A proposal from the Board to the General Meeting of Shareholders to increase the number of Directors;
- taking possible measures to limit conflicts of interest;
- training of individual Directors;
- training of all Board of Directors members to ensure individual and collective suitability;
- a proposal from the Board to the General Meeting of Shareholders to replace its members wholly or partially.

## **11. APPROVAL AND PUBLICITY**

The Policy is approved by the Board of Directors, in accordance with Article 3(1) of Law 4706/2020, and submitted to the General Meeting for approval, in accordance with Article 3(3) of Law 4706/2020.

The amendments to the Policy are approved by the Board of Directors and where they are material, in other words they introduce derogations or significantly change the content hereof, particularly in relation to the general principles and criteria applied, are submitted to the General Meeting for approval in accordance with Article 3(3) of Law 4706/2020.

The Policy and any material amendment to it apply from its approval by the General Meeting.

The updated Fit-and-Proper Policy in effect from time to time is uploaded on the Company website ([www.intralot.com](http://www.intralot.com)).