

**FOURLIS HOLDINGS S.A.**

**EXPLANATORY NOTE ON THE AGENDA OF THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF 18/6/2021**

The Shareholders of the Company are kindly informed that the total number of shares of the company "FOURLIS HOLDINGS S.A." as of May 27, 2021 (date of the Invitation to the Annual General Meeting that will take place on June 18, 2021) is **52.092.001** ordinary shares and the Company hold 629.785 treasury stocks. Each ordinary share provides one voting right, with the exception of own treasury stocks for which any representation rights and voting rights in the General Meeting are suspended and they are not taken into consideration for the calculation of the required quorum.

It is noted that Annual Ordinary General Meeting is going to be conducted entirely remotely in real-time through a teleconference procedure assisted by a coordinator (Operator Assisted Real-Time Teleconference) due to the current circumstances and in line with precaution measures aiming to prevent the spread of the COVID-19. The Company aims to protect the health of its shareholders and its personnel and to ensure the business continuity at its operational premises by taking into consideration the content of the Common Ministerial Decree No. 31950/21.05.2021 (published in the Government Gazette B' 2141/22.05.2021). At this end, the Company before the convention of the Annual General Meeting, has sufficiently secured the ability of the shareholders to actively participate in the general meeting and to exercise their rights, according to the procedures set out in the Invitation addressed from the Board of Directors to the Shareholders on May 27, 2021.

A brief explanatory note on the items on the agenda of the Annual Ordinary General Meeting of June 18, 2021 follows.

**SUBJECT 1: Submission for approval of the financial statements and the consolidated financial statements (Annual Financial Report) together with the Annual Report thereon prepared by the Board of Directors and the Chartered Accountants-Auditors for the period 1/1/2020 - 31/12/2020.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The following are submitted for approval by the General Assembly Meeting: the Annual Financial Statements for the period 1/1-31/12/2020 as approved by the Board of Directors at its meeting on Monday 22/3/2021, the Board of Directors Report for the Financial Year 2020, the Explanatory Board of Directors' Report in accordance with article 4 of L.3556/2007, the Statement of Corporate Governance in accordance with article 152 and 153 of L.4548/2018 and the Independent Auditors report.

The Annual Financial Statements for the Financial Year 2020, the Board of Directors Report, the Explanatory Board of Directors' Report, the Statement of Corporate Governance as well as the Independent Auditors Report are included in the Annual Financial Report of the Company for the year 2020 in accordance with article 4 of L.3556/2007 and they are available to the shareholders and investors on the Company's website: <https://www.fourlis.gr/>

**SUBJECT 2: Non-Dividend Distribution from Net Profits of the financial year 1/1/2020-31/12/2020.**

**Required quorum: 1/2 (50%) of the paid-up share capital of the Company.**

**Required majority: 80% of the represented in the AGM votes.**

Taking into consideration the effects from the pandemic of the coronavirus COVID-19, the Board of Directors proposes not to distribute as dividend any profits of the period 1/1/2020 - 31/12/2020 and to transfer the total amount of profits for use in the next financial year in order to cope with the negative side-effects of the pandemic and in particular to preserve and to strengthen the financial adequacy of the Company and to maintain the rate of growth of the Group.

In case of a vote against the subject of the Agenda, the Company is going to distribute the minimum dividend in accordance with article 161 of L.4548/2018, which is amounted at 35% of Net Profits after the deduction of the amount required for the formation of the statutory reserve. Taking into consideration that the own treasury stocks are excluded from the distribution of profits, the final amount of the dividend to be paid per share will be increased by the amount of dividend that correspond to the own treasury stocks that the Company holds on the record date.

The amount of dividend to be distributed is subject to withholdings implied by the Law and the payment will be made through the operators of the beneficiaries, as it is set out by the Athens Exchange Rulebook. In case of payment of the minimum dividend according to the above, Friday, July 2, 2021 is set as the Record Date for the beneficiaries of the dividend, Thursday, July 1, 2021 is set as the ex-dividend date and Wednesday, July 7, 2021 is set as the payment date.

**SUBJECT 3: Approval of the overall management of the Company and discharge of Chartered Accountants-Auditors from any liability.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The General Assembly is called to decide on the approval of the overall management that took place during the financial year 2020, in accordance with article 108 of L.4548/2018, as well as the discharge of the Independent Chartered Auditors from any liability that arisen from the audit of the financial statements of 2020.

It is clarified that Board members and the employees of the Company are entitled to participate in the vote only with the voting rights of the shares they own or as proxies of other shareholders with clearly stated guidelines.

**SUBJECT 4: Election of one (1) ordinary and one (1) substitute Chartered Accountant-Auditor to audit the consolidated and the Company's financial statements for the period 1/1/2021 - 31/12/2021 and determination of their remuneration.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The Board proposes the election of the Chartered Accountant - Auditing Company ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS SA for the review of the financial statements of the Company for the financial year 2021 from Chartered Independent Auditors (one ordinary and one substitute) that the auditing company is going to announce.

The Board also proposes an amount up to € 40.000,00 plus VAT as Audit Fees for 2021 Financial Statements review (Company and Consolidated).

**SUBJECT 5: Approval of members of the Board of Directors' remuneration for the period 1/1/2020 - 31/12/2020 and preliminary approval of members of the Board of Directors' remuneration for the period 1/1/2021 - 31/12/2021 in accordance with article 109 L. 4548/2018.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The Board proposes the approval of the remuneration paid to its members for the financial year 2020 which amounted at € 383.131.

Detailed information on the remuneration for the year 2021 are included in the Remuneration Report which is available at the Company's website <https://www.fourlis.gr>

Furthermore, the Board proposes the pre-approval of the remuneration of its members up to a maximum amount of € 575.000,00 for the financial year 2021.

**SUBJECT 6: Submission for approval of the Revision of the Remuneration Policy for Board members, which was approved by the Extraordinary General Meeting on 24.01.2020, in accordance with L.4548/2018.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The Board of Directors proposes the approval of the revised Remuneration Policy, chartered in accordance with the provisions of Article 110 and 111 of L.4548/2018, after taking into consideration the proposals of the Nomination and Remuneration Committee. It is noted that the existing Remuneration Policy (effective for four years) has been approved by the Extraordinary General Assembly Meeting of the Shareholders of January 24, 2020 and concerns all Board Members.

The full text of the revised Remuneration Policy is as follows:

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**Remuneration Policy according to article 110 of L.4548/2018 (article 9a of the Directive 2007/36/EC, Directive 2017/828 EU)**

**of FOURLIS HOLDINGS S.A.**

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**Version:** *Second (2<sup>nd</sup>)/ Date of approval by the General Meeting of Shareholders of FOURLIS HOLDINGS S.A.:18/6/2021*

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**Purpose:** *This Policy concerns the members of the Board of Directors (BoD) of FOURLIS HOLDINGS S.A., and it was conducted according to the EU Directive on the shareholders’ rights (EU Directive 2017/828 issued by the European Parliament and the Council dated 17 May 2017), as this has been incorporated in the Greek legislation with L.4548/2018.*

*The Remuneration Policy (hereinafter the Policy) contributes in the business strategy and in the long-term interests and the viability of the company, and specifies the method of contribution.*

*It defines in detail both the existing rights of the members of the Board of Directors and the obligations of the Company towards them, and the terms under which the remuneration will be provided in the future.*

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**To whom the Policy concerns:** *Existing members of the Board of Directors and/or new members of the Board of Directors of the Company during its term. In the Board of Directors are included the General Director as well as his deputy, if any, as defined in article 110 of L.4548/2018.*

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**Term:** *The present policy is valid for four (4) years, unless it is revised and/or amended earlier by a decision of the General Meeting of the Shareholders of FOURLIS HOLDINGS SA.*

*The Committee on Nominations and Remunerations shall examine on a yearly basis if the Policy continues to be compatible with the business strategy of the Company or if the Committee should propose its amendments to the Board of Directors. Every four (4) years or earlier if there is a need for an amendment, after a proposal of the Committee, the Board of Directors shall submit any changes of Policy that it deems as appropriate to the General Meeting of Shareholders of the Company for approval.*

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**General Information:**

*The Remuneration Policy takes into account the applicable laws, the good corporate governance policies, the Greek Code of Corporate Governance, the Articles of Association and the Internal Regulation for the Organization of the Company. The Policy acknowledges the existing rights and obligations of the members of the Board of Directors and specifies the terms under which the future remuneration may be granted to the existing or/and new members of the Board of Directors during the term of their duty.*

*No member of the Board of Directors takes decisions nor is responsible for his own remuneration. The Committee on Nominations and Remuneration shall ensure that no person shall be present at the discussion of his remuneration.*

*The Policy is uploaded in the webpage of the Company: [www.fourlis.gr](http://www.fourlis.gr)*

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**1. How the Policy contributes in the business strategy, the long-term interests and the viability of the Company**

*The Company pays both the executive and the non-executive members of the Board of Directors taking into account the principle of fair and reasonable remuneration for the best and most appropriate individual for the relevant position considering at the same time the level of responsibility as well as the knowledge and the experience required in order to meet the expectations, ensuring 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 activities.*

*The Remuneration Policy of the executive members of the Board of Directors contributes in the business strategy, the long-term interests and the viability of the Company:*

- Providing a fair and proper level of a standard fixed remuneration which allows the executive members to focus on the creation of a viable long-term value.*
- Balancing the short-term and the long-term remuneration in order to be ensured that short-term goals which will lead long-term to the creation of a value are targeted.*
- Offering short-term variable remuneration with performance criteria which harmonize the interests of the executive member to the interests of the shareholders.*
- Including long-term variable remuneration against titles with long-term performance criteria, which contribute in the creation of a value.*

*The Policy does not provide for variable remuneration for the non-executive members of the Board of Directors so that it can be guaranteed that there is no conflict of interests in decision-taking of the non-executive members and in their option to doubt the decisions of the Board of Directors when these result in risk-taking by the Company.*

**2. Remuneration Policy for the executive members of the Board of Directors**

*The Remuneration Policy of the Executive members of the Board of Directors, apart from those mentioned in Section 1, also takes into account other significant factors for the determination of the remunerations such as the knowledge and the experience required for the achievement of the objectives of the Business plan of the Company.*

*The Committee on Nominations and Remunerations and the Board of Directors are informed regularly about the structure of the remuneration and the policies followed inside the Company, as well as about the market trends in the specific issue (annual researches on remuneration and benefits). These data are considered upon revision of the Policy.*

**Remuneration table for the executive members of the Board of Directors of the Company:**

<b>Remuneration</b>	<b>Application</b>	<b>Maximum amounts and connection to performance</b>
<b>Standard/Fixed Remuneration</b>	<i>The remuneration amount is reviewed annually, without necessarily being increased.</i>	<p><i>The increase, in case it is granted, is free and it is not expected that it shall exceed the average increase for the total number of employees. The following are also taken into account:</i></p> <ul style="list-style-type: none"> <li>• <i>The performance of the Company.</i></li> <li>• <i>The performance of each executive officer.</i></li> <li>• <i>The remunerations for similar positions in the market.</i></li> <li>• <i>The role and the duties of the executive officer.</i></li> <li>• <i>The inflation rates.</i></li> </ul>

<p><b>Short-term program of variable remunerations MBO (Management Objectives)</b></p>	<p><i>The BoD specifies the performance criteria and their importance to the short-term program for the provision of incentives according to the business strategy for the specific year.</i></p> <p><i>The payments in respect of the short-term program for the provision of incentives may be recovered for a period of at least three (3) years as of their completion, in specific cases, including inaccurate financial statements of previous fiscal years or in general false financial data used in the calculation of these payments.</i></p>	<p><i>The annual variable remunerations for the achievement of 100% of the goals, cannot exceed the 65% of the annual mixed remuneration of the executive officer and in case of achievement of higher results the maximum amount of the annual variable remunerations of the members cannot exceed the 100% of the annual standard/fixed remunerations.</i></p> <p><i>The BoD sets demanding goals based on financial criteria, indicatively mentioned is the EBITDA /EBIT, the sales revenues. Of course, there is also the option of setting qualitative goals, which, however, in any case should be countable.</i></p> <p><i>In case the executive officer is also assigned with personal goals, apart from financial goals, then the importance of the personal goals cannot exceed the 20% of the total number of the goals assigned to the executive officer.</i></p>
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<p><b>Long-term program for the provision of incentives (Put options)</b></p>	<p><i>The Company applies rolling programs for the granting of put options for the purchase of shares.</i></p> <p><i>The rights cannot be exercised earlier than 3 years as of the date of their granting.</i></p>	<p><i>The put options for each executive member of the Board of Directors are specified based on his total remuneration (standard/fixed and variable remuneration) and on the level/grade of his position.</i></p> <p><i>The maximum total number of the shares which will be issued, if the Board of Directors issues the maximum number of rights and in case the Beneficiaries exercise the total number of rights which will be granted to them, cannot exceed the 5% on the share capital of the Company at the date of invitation.</i></p>
<p><b>Retirement Benefit</b></p>	<p><i>The Company provides a pension program of specified contributions.</i></p>	<p><i>This benefit is harmonized with the policy applicable for the remaining executive officers of the Company. The maximum amount cannot exceed the 12% of the annual mixed remuneration.</i></p>
<p><b>Liability insurance for executive members of the Board of Directors (DNO)</b></p>	<p><i>The Company grants a liability insurance for executive members of the Board of Directors to all the members of the Board of Directors for the protection of its members against any individual liability which may arise acting in their capacity as members of the Board of Directors.</i></p>	<p><i>The maximum remuneration is fixed to 2 m. Euro per claim and in total to 10 m. Euro.</i></p>



<b>Other benefits</b>	<i>Benefits are included indicatively such as the private health insurance, life insurance, the company's car/ the car benefit and the fuel card.</i>	<i>No maximum amount is specified to the benefits that can be granted to the executive Member of the Board of Directors. The benefits are harmonized with the market policies and the Company's policy for the employees.</i>
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### **3. Remuneration Policy of the non-executive members of the Board of Directors**

*In the determination of the remuneration level of the non-executive members of the Board of Directors, the market practice is taken into account, regarding the companies of a similar size on the basis of the stock market value, revenues, profits, complexity, structure and international dimension.*

*The non-executive members of the Board of Directors receive the basic remuneration and are paid additional remuneration in order to exercise the duty of presiding at the committees. The non-executive members of the Board of Directors do not have a participation right in any program for the provision of incentives.*

*To the non-executive members of the Board of Directors a remuneration is paid, which is standard and fixed and covers the time required for the exercise and execution of their duties. The said standard remunerations cover the attendance time in the meetings of the Board of Directors and in the meetings of the Committees of the Board of Directors including the time for preparation.*

*The maximum amount of the annual total basic remuneration is specified by the Board of Directors after proposal of the Committee on Nominations and Remunerations and is subject to approval by the Annual Ordinary General Meeting of shareholders.*

*There is no pre-determined level of annual remuneration or increase of remuneration nor a pre-specified maximum level of remuneration.*

*The payment of extra remunerations to non executive members of the Board of Directors is allowed in consideration for additional tasks and duties exceeding the object of the duties assigned to them. These remunerations are specified by the Board of Directors taking into account the term of duty and the experience of the member as well as any other factors deemed relevant by the Board of Directors.*

### **4. Deviations from the Policy**

*In extraordinary circumstances the deviation from the Policy is allowed temporarily, whenever this is deemed necessary by the Board of Directors, so that the long-term interests of the Company in their entirety can be served and its viability can be ensured. Any derogation must be examined and approved by the Board of Directors.*

### **5. Employment Contracts**

#### **5.1. Term/Duration**

*The term of duty of the executive members of the Board of Directors may not exceed 5 years, unless, upon proposal of the Committee, the Board of Directors of the Company shall approve a duty for an indefinite period of time.*

#### **5.2. Fees**

*The executive members of the Board of Directors, for their participation in the BoD, are not entitled to any other standard fee or other remuneration, apart from their remuneration as executive officers of the Company.*

### 5.3. Hirings and Promotions

The entire remuneration for the hiring of a new executive member of the Board of Directors shall be specified according to the terms of the approved Policy.

### 5.4. Terms for the termination of the contract

For the executive members of the Board of Directors and as regards their other duties, all provisions of the labour law apply, in relation to the termination of their employment contract.

### 5.5. Commitments

The Company, upon approval of the present policy, reserves the right to fulfil any contractual obligations already undertaken towards the members of the BoD, before the date of its entry into force.

In case that an officer of another Company of FOURLIS Group moves as an executive member of the Board of Directors of the Company, then - as the policy for "Promotions and movements of the employees within the Group" specifies - continues to enjoy all his employment rights.

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The proposed revised Remuneration Policy has been posted and is available for the investment public on the corporate website <https://www.fourlis.gr>

**SUBJECT 7: Submission for discussion and voting of the Remuneration Report for the financial year 1/1/2020-31/12/2020 in accordance with article 112 par. 3 of L.4548/2018.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The Board of Directors submits for discussion and voting to the General Assembly the Remuneration Report of the Financial Year 2020 according to the provisions of article 112 par. 3 of the L. 4548/2018, which has been brought to the attention of the shareholders and to the investment community through the corporate website <https://www.fourlis.gr>

The Remuneration Report contains a comprehensive overview of the total remunerations received by the Board Members during the financial year 2020, as well as all the information dictated by article 112 par. 2 of L.4548/2018 and has been drawn up according to the Remuneration Policy, which was approved by the Extraordinary General Assembly of 24.01.2020, after taking into consideration the relevant suggestions of the Nomination and Remuneration Committee. The Company's auditors have examined whether and to what extent the information of article 112 of L. 4548/2018 have been provided.

The Remuneration Report which is submitted for discussion and voting to the General Assembly Meeting has been brought to the attention of the Shareholders and the investors through the Company's website: [www.fourlis.gr](http://www.fourlis.gr)

The full text of the Remuneration Report for the financial year 2020 is as follows:

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**Remuneration Report of FOURLIS HOLDINGS S.A. under article 112 of L.4548/2018 for the year 2020**

#### **1. Introduction**

The present Remuneration Report (hereinafter referred to as the "Report") concerns the members of the Board of Directors (BoD) of FOURLIS HOLDINGS SA, and has been approved by the BoD of the Company under its decision dated 17 May 2021, has been examined as

regards its completeness by the sworn auditor of the Company and has been submitted for discussion to the Annual Ordinary General Meeting of the Company's shareholders dated 18 June 2021.

This is the 2nd Report of this kind, which describes the implementation method of the Company's Remuneration Policy (hereinafter referred to as the "Policy"), which has been approved by the Extraordinary General Meeting (GM) of Shareholders on 24/1/2020, is uploaded in the Company's webpage <http://www.fourlis.gr>, and includes the remunerations of the members of the BoD as well as any benefits to the members of the BoD of the Company, paid either by the Company or by any other associated company pursuant to the article 99 par.2(a) of L.4548/2018.

The Report has been conducted pursuant to the Directive EU2017/828 issued by the European Parliament and the Council dated 17 May 2017, on the encouragement of the long-term active participation of shareholders SRD II, as this has been incorporated in the Greek laws with the L.4548/2018 (article 112), and taking into account the draft of the Guidelines of the European Commission on the standardized presentation of the Report.

#### **Information about the progress of FOURLIS HOLDINGS SA and of FOURLIS Group in the year 2020**

The parent Company "FOURLIS HOLDINGS SA", together with its direct and indirect subsidiaries, constitutes the FOURLIS Group, engaged in the sectors of retail sale of household items and furniture (IKEA Stores) and sport items (INTERSPORT and TAF Stores).

The direct and indirect subsidiaries of the Group, included in the consolidated data of the year 2020 per sector and country of business, are presented in the financial report of the Company, which is available in its webpage <http://www.fourlis.gr>.

In the year 2020, the Group has been influenced by the health crisis COVID-19, that has disturbed the economies at a global level and had a substantial adverse effect on many business activities.

#### **Data of the Group's consolidated results:**

	2020	2019
Sales Revenues	370.577	466.322
Profits before interests, taxes, depreciations / impairments EBITDA	43.092	66.582
Profits before interests, taxes EBIT	9.611	35.831
(Damages) / Profits before taxes PBT	(10.987)	19.539
Net (damages) / Profits after taxes imposed on the owners/beneficiaries of the parent company	(8.661)	11.933

During the fiscal year 2020, the retail sales stores of the Group have suspended their operation under governmental orders, in all countries for 2-4 months, depending on the country, in respect of the fighting against the COVID-19 pandemic. In the stores suspension period, the sales were made and executed mainly via e-commerce networks in Greece as well, and through pre-emptive purchase, click-away and click in shop sale methods.

The sales of the retail sale sector of household items and furniture (IKEA Stores) in comparison to the respective period of 2019 have decreased by 19,4%, whereas, the retail sales of sport items (INTERSPORT & TAF Stores) have decreased by 22,6%. More specifically:

The sector of retail sales of household items and furniture (IKEA Stores) has reported in the year 2020 sales of a total amount of Euro 243,6 million (2019: amount in Euro 302,3 million). The total EBITDA of the sector has reached the amount of Euro 30,3 million in comparison to an amount of Euro 39,7 million in 2019, whereas it has reported profits before taxes at an amount of Euro 3,9 million in comparison to profits at the amount of Euro 17,6 million in 2019.

In the **sector of retail sales of sport items (INTERSPORT and TAF Stores)**, the sales for the year 2020 have amounted at Euro 127,0 million (compared to the amount of Euro 164,1 million in 2019). The total EBITDA of the sector in the fiscal year 2020 has reached the amount of Euro 14,3 million in comparison to the amount of Euro 28,2 million in 2019, whereas, it has reported damages before taxes at an amount of Euro -13,6 million in comparison to profits before taxes at an amount of 3,7 million in 2019.

The Group's consolidated damages before taxes have amounted at Euro 11,0 million in comparison to the consolidated profits before taxes at the amount of Euro 19,5 million in 2019. The net damages have amounted at Euro 8,7 million in comparison to profits at the amount of Euro 11,9 million in 2019.

## 2. Summary of the Remuneration Policy

The Policy applies on the remunerations of all members of the BoD of the Company; as regards the executive members, standard / fixed and variable remunerations are provided, whereas regarding non-executive members, only standard / fixed remunerations are provided.

The following Table presents the basic points of the Remuneration Policy for the **executive members** of the BoD:

<b>Remunerations</b>	<b>Implementation</b>	<b>Ceilings and link to the performance</b>
<b>Standard / Fixed Remunerations</b>	<p>The remunerations are reviewed on an annual basis, without being necessarily increased.</p> <p>The performance of the Company, the performance of the officers, the fees paid for relevant job positions in the market, the role and the duties of the officer and the inflation rate are taken into account.</p>	<p>The increase, in case it is granted, is unlimited and does not expect to exceed the average increase for the total number of the employees.</p>
<b>Short-term program of variable remunerations MBO (Management by Objectives)</b>	<p>The BoD specifies the performance criteria and their importance for the short-term motivation program according to the business strategy for the specific year.</p> <p>The payments in respect of the short-term program for the provision of incentives may be recovered for a period of at least three (3) years as of their payment, in certain cases, including inaccurate financial statements of previous fiscal years or wrong financial data in general, that have been used for the calculation of these payments.</p>	<p>The annual variable remunerations for the achievement of the 100% of the objectives, may not exceed the 65% of the annual mixed remunerations of the officer and in case of achievement of bigger results the ceiling of annual variable remunerations of the members, may not exceed the 100% of the annual standard / fixed remunerations.</p> <p>The BoD sets demanding objectives based on financial criteria, indicatively the EBITDA/ EBIT, the sales revenues are mentioned. There is, of course, also the possibility for the setting-out of qualitative objectives, which, however, in any case, should be measurable.</p> <p>In case the officer is assigned with the achievement of personal objectives, in addition to the financial ones, then the importance of the personal objectives may not exceed the 20% of the aggregate objectives, assigned to the officer.</p>

<b>Remunerations</b>	<b>Implementation</b>	<b>Ceilings and link to the performance</b>
<b>Long-term motivation program (Share Options)</b>	<i>The Company applies rolling programs for the granting of share call-options.</i>	<i>The share options granted to every executive member of the Board of Directors shall be specified based on his/her aggregate remunerations (standard/fixed and variable remunerations) and on his/her position rank/grade.</i>
<b>Retirement Benefit</b>	<i>The Company provides a retirement plan of specified contributions.</i>	<i>This benefit is harmonized with the policy which is in force and applied for the remaining officers of the Company. The ceiling may not exceed 12% on the annual mixed remuneration.</i>
<b>Civil Liability Insurance Policy for Directors &amp; Officers (DNO)</b>	<i>The Company grants a civil liability insurance policy for directors and officers to all members of the Board of Directors for the protection of its members against any individual liability that might arise from their acting in their capacity as member of the Board of Directors.</i>	<i>The maximum compensation is determined at 2 million Euro per claim and totally at 10 million Euro.</i>
<b>Other Benefits</b>	<i>Benefits such as private health insurance policy, life insurance policy, the corporate car / car allowance and the fuel card are, indicatively, included.</i>	<i>No ceiling is specified on the benefits that may be granted to the executive member of the Board of Directors. The benefits are harmonized with market practices and the Company's policy for its employees.</i>

The following Table presents the basic points of the Remuneration Policy for the **non-executive members** of the BoD, also including the non-executive President of the BoD:

<b>Remunerations</b>	<b>Specifying the remunerations' grade</b>
<i>The non-executive members of the Board of Directors are receiving the basic remuneration/fees and additional fees are paid to them for presiding in Committees. The non-executive members of the Board of Directors have no right of participation in any motivation program. To the non-executive members of the Board of Directors a fee/remuneration is paid, which is fixed and covers the period of time required for the exercise and completion of their duties. The said fixed remunerations cover the time of participation in up to five (5) meetings of the Board of Directors and up to five (5) meetings of the Committees of the Board of Directors, the time for transfers and preparation included.</i>	<i>Upon specifying the remunerations' grades of the non-executive members of the Board of Directors, the market practice applied on companies of relevant size is taken into account, on the basis of the stock-exchange value, revenues, profits, complexity, structure and international dimension. The ceiling of the annual aggregate principal remunerations is specified by the Board of Directors after a relevant proposal of the Nominations and Remunerations Committee and is subject to an approval by the Annual Ordinary General Meeting of Shareholders.</i>

**3. Remuneration for the year 2020 paid to the members of the Board of Directors (art.112 par.2a of L.4548/2018)**

In the Table 1 the aggregate amount of the remuneration granted or paid to the members of the Board of Directors is presented, together with an analysis of its subcomponents, the relevant proportions of the standard and variable remuneration and explanation of the application method of the performance criteria and the method in which the aggregate remuneration complies with the approved Remuneration Policy. The performance criteria at a Group level was the EBITDA, the sales revenues, the EBITDA index/sales revenues, whereas the total performance outcome was equal to zero for the year 2020 due to the adverse effects of COVID-19 on the results of the Company and the Group (Table 2).

The average remuneration of the full time employees, with the exception of the Company's officers, in 2020 has amounted at Euro 32.842 (2019: 32.842). The remunerations of the members of the BoD are presented in the Table No.1 and in aggregate amount at Euro 1.381.401; out of this sum, the amount of Euro 370.232 concerns the Company. In the aforementioned amounts, the amount of Euro 100.000 paid as a premium for the risk of non-payment of future remunerations subject to a condition precedent is not included, but is included, instead, in the EBITDA. In the year 2020, the sales revenues of the Group have amounted at Euro 370.577 thousand and the EBITDA at Euro 43.092 thousand. The annual financial report of the year 2020 is published in the webpage of the Company <http://www.fourlis.gr>.

**4. Annual change of the remuneration due to the members of the BoD, of the Company's performance and of the average remuneration due to the full-time employees of the Company, with the exception of the company's officers, during the last five (5) fiscal years (art.112 par.2b of L.4548/2018)**

The annual change of the remuneration due to the members of the BoD, of the Company's performance and of the average remuneration due to the full-time employees of the Company, with the exception of its officers, during the last five (5) fiscal years, is not presented because of the application and implementation of the transitional provision of the article 187 par.7 of L.4548/2018, and only the relevant data for the years 2019 and 2020 are presented in the Table No.4.

**5. Remuneration of any kind due to the members of the BoD by any company owned and controlled by the same Group, according to the provisions in article 32 of L.4308/2014 (art.112 par.2c' of L.4548/2018)**

The remunerations of the members of the BoD due by the subsidiaries of FOURLIS Group are presented in the Table No.1.

**6. Number of shares and put-options for the shares given or offered to the members of the BoD and principal conditions for the exercise of the rights, including the price and the date of exercise, as well as any change (art.112 par.2d of L.4548/2018)**

The Program for the Provision of Put Options for Shares as currently in force has been approved by the Ordinary General Meeting held on the 16th of June 2017. The number of put-options granted in respect of the specific Program to the members of the BoD for the year 2020 is presented in the Table No.2. The price of each put option was specified at the amount of €5,5637. The options are enshrined within a five-year period (each 1/5 of the options in Table 3 is enshrined on the 31st of December 2020, 31st of December 2021, and so on). The expiry date is set on 30/11/2029 for the 1/5 to be enshrined on the 31st of December 2024, on 30/11/2028 for the previous 1/5 to be enshrined on the 31st of December 2023, and so on. The Program is presented in detail on the annual financial report of the fiscal year 2020 published in the Company's webpage <http://www.fourlis.gr>.

**7. Any exercised put options by members of the BoD in respect of programs for the sale/offer of the company's shares (art.112 par.2e of L.4548/2018)**

During 2020 no put options were exercised by the members of the BoD.

**8. Information about the use of the option for recovery of variable remunerations (art.112 par.2f of L.4548/2018)**

The payments in respect of the short-term program for the provision of incentives of the executive members of the BoD (Table 1, column 2), may be recovered for a period of at least three (3) years as of their payment, in specific cases, including inaccurate financial statements of previous fiscal years or wrong financial records in general, used for the calculation of these payments.

**9. Information regarding any deviations from the implementation of the remuneration policy under art.110 par.7, together with clarification about the exceptional nature of circumstances and the indication of specific data of the remuneration policy, from which the deviation has occurred (art.112 par.2g of L.4548/2018)**

There are no deviations from the implementation of the remuneration policy.

Table 1:

**Remuneration of members of the BoD for the year 2020 (for FOURLIS HOLDINGS SA and companies of the FOURLIS Group)**

<b>Full name of the member of the BoD/ Title</b>	<b>Standard Remuneration (1)</b>	<b>Variable remuneration based on the meeting of targets (Management By Objectives - MBO) (2)</b>	<b>Medical Returns (3)</b>	<b>Pension Offer (4)</b>	<b>Aggregate remuneration (5)</b>	<b>Proportion of standard / fixed remuneration (6)</b>	<b>Proportion of variable remuneration (7)</b>
Vasileios Furlis, President, executive member of the BoD	527.946	For the achievement of 100% a 30% of the annual mixed remunerations is taken into account / In 2020 the achievement was 0%	2.440	47.304	577.690 (**)	100%	0%
Dafni Furlis, Vice-President, executive member of the BoD	191.154	No variable remunerations apply	1.360	No retirement benefit is granted	192.515 (**)	100%	0%
Eftichis Vasilakis, Vice-President, Independent non-executive member of the BoD	8.270	No variable remunerations apply	No medical - healthcare benefits are granted	No retirement benefit is granted	8.270	100%	Only fixed remunerations apply
Petalas Apostolos, CEO, executive member of the BoD	304.379	For the achievement of 100% a 65% of the annual mixed remunerations is taken into account / In 2020 the achievement was 0%	1.296	24.878	330.553	100%	0%

Table 1:

**Remuneration of members of the BoD for the year 2020 (for FOURLIS HOLDINGS SA and companies of the FOURLIS Group)**

<b>Full name of the member of the BoD/ Title</b>	<b>Standard Remuneration (1)</b>	<b>Variable remuneration based on the meeting of targets (Management By Objectives - MBO) (2)</b>	<b>Medical Returns (3)</b>	<b>Pension Offer (4)</b>	<b>Aggregate remuneration (5)</b>	<b>Proportion of standard / fixed remuneration (6)</b>	<b>Proportion of variable remuneration (7)</b>
<i>Leda Fourlis, Social Responsibility Manager, executive member of the BoD</i>	219.916	<i>For the achievement of 100% a 20% of the annual mixed remunerations is taken into account / In 2020 the achievement was 0%</i>	1.344	19.704	240.964 (**)	100%	0%
<i>Ioannis Kostopoulos, President of the Auditing Committee, Independent non executive member of the BoD</i>	14.869	<i>No variable remunerations apply</i>	<i>No medical - healthcare benefits are granted</i>	<i>No retirement benefit is granted</i>	14.869	100%	<i>Only fixed remunerations apply</i>
<i>David Watson, Member of the Auditing Committee, Independent non executive member of the</i>	8.270	<i>No variable remunerations apply</i>	<i>No medical - healthcare benefits are granted</i>	<i>No retirement benefit is granted</i>	8.270	100%	<i>Only fixed remunerations apply</i>



Table 1:

**Remuneration of members of the BoD for the year 2020 (for FOURLIS HOLDINGS SA and companies of the FOURLIS Group)**

<b>Full name of the member of the BoD/ Title</b>	<b>Standard Remuneration (1)</b>	<b>Variable remuneration based on the meeting of targets (Management By Objectives - MBO) (2)</b>	<b>Medical Returns (3)</b>	<b>Pension Offer (4)</b>	<b>Aggregate remuneration (5)</b>	<b>Proportion of standard / fixed remuneration (6)</b>	<b>Proportion of variable remuneration (7)</b>
BoD							
Pavlos Triposkiadis, Independent non executive member of the BoD	8.270	No variable remunerations apply	No medical - healthcare benefits are granted	No retirement benefit is granted	8.270	100%	Only fixed remunerations apply
Ioannis Brebos, non executive member of the BoD	0	No variable remunerations apply	No medical - healthcare benefits are granted	No retirement benefit is granted	0	100%	Only fixed remunerations apply
Total					1.381.401		

In the aforementioned Table 1 rents of corporate car leasings of an amount of Euro 30.857 and fuel of an amount of Euro 4.384 are not included.

\* The variable remunerations based on achievement of objectives (MBO) in 2020 were zero due to non-achievement of objectives (2019: 61-78%) – see Table 2

\*\* The aggregate remunerations originate from subsidiaries of FOURLIS HOLDINGS SA

All amounts of the Tables are in Euro (€), unless it is otherwise provided.

Table 2: Short-Term program of variable remunerations (MBO) for 2020

<b>Full name of the member of the BoD/ Title</b>	<b>Description of Performance Criteria</b>	<b>Importance of Performance Criteria</b>	<b>Achievement</b>
Vasileios Furlis, President, executive member of the BoD	EBITDA	51%	0,00
	Sales Revenues	49%	0,00
	EBITDA / Sales Revenues	10%	0,00
Petalas Apostolos, CEO, executive member of the	EBITDA	51%	0,00
	Sales Revenues	49%	0,00

<i>BoD</i>	<i>EBITDA / Sales Revenues</i>	<i>10%</i>	<i>0,00</i>
<i>Leda Furlis, Social Responsibility Manager, executive member of the BoD</i>	<i>EBITDA</i>	<i>51%</i>	<i>0,00</i>
	<i>Sales Revenues</i>	<i>49%</i>	<i>0,00</i>
	<i>EBITDA / Sales Revenues</i>	<i>10%</i>	<i>0,00</i>

**Table 3: Put Options for the year 2020**

<i>Full name of the member of the BoD/ Title</i>	<i>1 Initial Balance</i>	<i>2 Options Granted</i>	<i>3 Options exercised</i>	<i>4 Final Balance</i>
<i>Vasileios Furlis, President, executive member of the BoD</i>	<i>370.284</i>	<i>118.905</i>	<i>0</i>	<i>489.189</i>
<i>Petalas Apostolos, CEO, executive member of the BoD</i>	<i>294.576</i>	<i>93.166</i>	<i>0</i>	<i>387.742</i>
<i>Leda Furlis, Social Responsibility Manager, executive member of the BoD</i>	<i>31.374</i>	<i>9.501</i>	<i>0</i>	<i>40.875</i>

**Table 4: Annual change of remuneration of the members of the BoD and of the full-time employees, except for the officers (amounts in Euro)**

	<i>2020</i>	<i>2019</i>	<i>Change (2020/2019)</i>
<i>Total Remunerations of members of the BoD</i>	<i>1.381.401</i>	<i>1.638.888</i>	<i>-16%</i>
<i>Average Remunerations of Employees</i>	<i>32.842</i>	<i>32.842</i>	<i>0%</i>
<i>Sales Revenues</i>	<i>370.577</i>	<i>466.322</i>	<i>-21%</i>
<i>EBITDA</i>	<i>43.092</i>	<i>66.582</i>	<i>-35%</i>
<i>EBIT</i>	<i>9.611</i>	<i>35.831</i>	<i>-73%</i>
<i>PBT</i>	<i>-10.987</i>	<i>19.539</i>	<i>N/A</i>
<i>NP</i>	<i>-8.661</i>	<i>11.933</i>	<i>N/A</i>

*Marousi, 17 May 2021*

*The Board of Directors*

It is noted that the shareholders' vote on the Remuneration Report has an advisory character, according to article 112 par. 3 of L. 4548/2018.

**SUBJECT 8: Submission of the Audit Committee's Annual Activity Report in accordance with article 44 par. 1 of L.4449/2017.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

The Board of Directors announces to the shareholders that the the Audit Committee has submitted to the General Assembly its Activity Report for the financial year 01/01/2020 – 31/12/2020 according to the provisions of article 44 par.1 of L.4449/2017 as it was amended by article 75 of L. 4706/2020.

The Annual Activity Report of the Audit Committee aims to inform the shareholders about the activities of the Committee during the financial year 01/01/2020 – 31/12/2020. The Annual Activity Report is available to the shareholders and the investment public on the corporate website <https://www.fourlis.gr/> and it has been included in the Annual Financial Report of 2020.

**SUBJECT 9: Election of new independent non-executive member of the Board of Directors in replacement of resigned non-executive member. Verification of fulfillment of independence criteria.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The Board of Directors announces to the General Assembly that Mr. Ioannis Evangelos Brempos, submitted his resignation through a letter from his position and duties as non-executive member of the Board of Directors, effective from the date of the convention of the General Assembly.

Following this, the Board of Directors based on a relevant proposal from the Nomination Committee, proposes to elect Mr. Stylianos Stefanou of Markos as the new independent non-executive member of the Board of Directors for the remaining term of office of the resigned member which expires on 16.06.2022 and is automatically extended, in accordance with the Law and the Articles of Association, until the date of the Ordinary General Meeting that will be convened after this date.

Mr. Stylianos Stefanou, who is also a member of the Audit Committee of the Company elected by the Ordinary General Meeting of 12.06.2020, meets all the criteria of individual suitability based on the Company Suitability Policy and in particular the adequacy of knowledge and skills, guarantees of ethic and reputation, the absence of conflict of interest, the independence of judgement and the allocation of sufficient time. The election of Mr. Stylianos Stefanou will increase the participation rate of independent non-executive members in the Board of Directors of the Company. The election of Mr. Stylianos Stefanou is fully justified as he has knowledge and experience in auditing and accounting, significant overall professional development over time including doing business, knowledge of the structure of the Group and the sectors segments in which it operates, knowledge and understanding of corporate governance and of the relevant framework of the Company and a deep understanding of the operation of the Audit Committees and the Boards of Directors. Mr. Stylianos Stefanou as a candidate member of the Board of Directors has submitted to the Company a responsible statement that there is no impediment due to the issuance, within the last year before his election, of a final court decision acknowledging his guilt for loss-making company transactions of his company. L.4548/2018 with connected related parties, within the last year before his election.

Furthermore, Mr. Stylianos Stefanou is an independent third party, as he does not directly or indirectly hold a percentage of voting rights greater than zero party five percent (0.5%) of the Company's share capital and is free not from dependent to the Company in financial, business, family or other sectors dependent relationships, which may affect his decisions. Finally and his independent and objective judgment, does not face any obstacles or incompatibility with any provisions of the relevant legal framework, the applicable Corporate Governance Code and the Rules of Procedure of the Company and therefore he meets the criteria of independence of the provisions of article 4 of Law 3016/2002 and paragraphs 1 and 2 of article 9 of law 4706/2020.

The explanatory note of the Board of Directors regarding the nomination proposal of Mr. Stylianos M. Stefanou as a new independent non-executive member of the Board of Directors which includes the justification of the proposal, the detailed curriculum vitae of the above candidate member, the assessment of suitability criteria according to Company's suitability policy, as well as the fulfillment of the independence criteria of article 9 of L.4706/2020. This note has been made available to shareholders and the investing public through the Company's website: <https://www.fourlis.gr/>

**SUBJECT 10: Redefinition of the Audit Committee and resolution on the format, the composition (number and status of the members) and term of the office.**

The Board of Directors propose to the General Assembly the redefinition of the Company's Audit Committee and specifically they propose that the Audit Committee would be a Board Committee, composed exclusively by non-executive members of the Board of Directors in their majority independent, instead of the current situation, in which the Audit Committee was an independent committee with the participation of a third person (non-member of the Board).

Regarding the composition and the term of the Audit Committee, the Board of Directors suggested that the Audit Committee should be consisted from three (3) non-executive members of the Board of Directors, two (2) at least will be will be independent non-executive and the duration of its term of office shall be the same as that of the current Board of Directors. The Chairman of the Audit Committee is an independent non-executive member.

The members of the Audit Committee will be appointed by the Board of Directors.

**SUBJECT 11: Submission for Approval of the Suitability Policy of the members of the Board of Directors in accordance with the provisions of L.4706/2020.**

**Required quorum: 1/5 (20%) of the paid-up share capital of the Company.**

**Required majority: 50% + 1 of the represented in the AGM votes.**

The Board of Directors propose to the General Assembly the approval of the Suitability Policy of its members, in accordance with the provisions of article 3 of L. 4706/2020.

The full text of the proposed Suitability Policy of the members of the Board of Directors is as follows:

## **Suitability Policy of article 3 of Law 4706/2020 of FOURLIS HOLDINGS SA**

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**Issuance:** *First (1st) / Date of approval by the General Assembly of FOURLISHOLDINGS SA: 18/6/2021*

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**Target:** *This Policy concerns the members of the Board of Directors (BoD) of FOURLIS HOLDINGS SA and was prepared in accordance with article 3 of Law 4706/2020 valid from 17/7/2021 and Circular no. 60 of the Hellenic Capital Market Commission dated 18/9/2020.*

*The Suitability Policy (hereinafter the Policy) aims at ensuring the quality of the executive recruitment, the effective operation and fulfillment of the duties of the Board of Directors based on the more general strategy and the medium-long term business goals of the company in order to promote the company's interest.*

*The Policy includes at least the following:*

- the principles on the selection, replacement or renewal of the term of the members of the Board of Directors*
- the criteria on the evaluation of suitability of the members of the Board of Directors, especially with regard to character references, reputation, adequacy of knowledge, qualifications, independent thinking and experience in performing the tasks assigned to them. The selection criteria of the members of the Board of Directors include at least the adequate representation per gender at a rate not less than twenty-five percent (25%) of all members of the Board of Directors. In the case of a fraction, this percentage is rounded to the previous whole,*
- the provision of diversity criteria for the selection of the members of the Board of Directors.*

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**It concerns:** *All members of the Board of Directors, regardless of their capacity as executive, non-executive or independent non-executive members.*

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**Duration:** *This policy is valid from its approval and for an indefinite period unless it is revised and / or amended earlier by a decision of the General Assembly Meeting of FOURLIS HOLDINGS SA.*

*The Nominations and Remuneration Committee will examine on an annual basis whether the Policy is still compatible with the Company's business strategy or whether it should propose amendments to the Board of Directors. Recommendations of the Internal Audit Department, the Regulatory Compliance Department, the Corporate Secretary and any other external bodies are also taken into account. If there is a need for amendment upon the recommendation of the Committee, the Board of Directors approves any policy changes it deems appropriate and then, if they are material, submits them to the Company's General Assembly for approval. Material are the amendments that provide for derogations or significantly change the content of the Suitability Policy, in particular as to the applied general principles and criteria.*

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*The Suitability Policy and any substantial modification thereof is valid upon its approval by the General Assembly.*

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**Principles of the Suitability Policy :**

*The Suitability Policy is clear, sufficiently justified and is governed by the transparency and proportionality principle.*

*The Suitability Policy takes into account the current legislation, the good practices of corporate governance, the Greek Code of Corporate Governance, the Articles of Association and the Internal Regulation Charter of the Company.*

*During the formulation of the Suitability Policy the size, the internal structure, the intention to undertake risk, the nature, the extent and the complexity of its activities, are taken into account, as well as any other information that specifically concerns the Company.*

*It is the responsibility of the Board of Directors to form and monitor the implementation and effectiveness of the Suitability Policy. An effective contribution in preparing and monitoring the implementation of the Policy can be provided by the Internal Audit Department, the Regulatory Compliance Department, the Nominations and Remuneration Committee and the Corporate Secretary where required. The Suitability Policy is evaluated periodically at regular intervals (annually) or when significant events or changes occur. The results of the Suitability Policy assessment as well as the actions to be taken to address any deficiencies identified are recorded.*

*The Suitability Policy takes into consideration the specific description of the duties of each member of the Board of Directors or the participation or not of the latter in committees, the nature of the duties of the latter (executive or non-executive member of the Board of Directors) and his classification as independent or not member of the Board of Directors as well as any specific incompatibility or characteristic or contractual commitment that is related to the nature of the activity of the Company or the Corporate Governance Code that the latter applies.*

*The current Policy is posted, updated on the Company's website: [www.fourlis.gr](http://www.fourlis.gr)*

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**Definitions/General Provisions:**

*The suitability is individual and collective.*

*Individual suitability is the extent to which a person is considered to have as member of the Board of Directors efficient knowledge, qualifications, experience, independent thinking and good reputation as to the performance of his duties as member of the Board of Directors of the company according to the suitability criteria set out in the Suitability Policy of the Company.*

*Suitability Policy is the set of principles and criteria applied at least to the selection, replacement and renewal of the term of the members of the Board of Directors in the course of the assessment of the individual and collective suitability.*

*Collective suitability is the suitability of the members of the Board of Directors as a whole.*

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**Suitability Policy of article 3 of Law 4706/2020 of FOURLIS HOLDINGS SA**

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<b>Issuance:</b>	<i>First (1st) / Date of approval by the General Assembly of FOURLISHOLDINGS SA: 18/6/2021</i>
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<b>Target:</b>	<p><i>This Policy concerns the members of the Board of Directors (BoD) of FOURLIS HOLDINGS SA and was prepared in accordance with article 3 of Law 4706/2020 valid from 17/7/2021 and Circular no. 60 of the Hellenic Capital Market Commission dated 18/9/2020.</i></p> <p><i>The Suitability Policy (hereinafter the Policy) aims at ensuring the quality of the executive recruitment, the effective operation and fulfillment of the duties of the Board of Directors based on the more general strategy and the medium-long term business goals of the company in order to promote the company's interest.</i></p> <p><i>The Policy includes at least the following:</i></p> <ul style="list-style-type: none"><li><i>• the principles on the selection, replacement or renewal of the term of the members of the Board of Directors</i></li><li><i>• the criteria on the evaluation of suitability of the members of the Board of Directors, especially with regard to character references, reputation, adequacy of knowledge, qualifications, independent thinking and experience in performing the tasks assigned to them. The selection criteria of the members of the Board of Directors include at least the adequate representation per gender at a rate not less than twenty-five percent (25%) of all members of the Board of Directors. In the case of a fraction, this percentage is rounded to the previous whole,</i></li><li><i>• the provision of diversity criteria for the selection of the members of the Board of Directors.</i></li></ul>
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<b>It concerns:</b>	<i>All members of the Board of Directors, regardless of their capacity as executive, non-executive or independent non-executive members.</i>
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<b>Duration:</b>	<p><i>This policy is valid from its approval and for an indefinite period unless it is revised and / or amended earlier by a decision of the General Assembly Meeting of FOURLIS HOLDINGS SA.</i></p> <p><i>The Nominations and Remuneration Committee will examine on an annual basis whether the Policy is still compatible with the Company's business strategy or whether it should propose amendments to the Board of Directors. Recommendations of the Internal Audit Department, the Regulatory Compliance Department, the Corporate Secretary and any other external bodies are also taken into account. If there is a need for amendment upon the recommendation of the Committee, the Board of Directors approves any policy changes it deems appropriate and then, if they are material, submits them to the Company's General Assembly for approval. Material are the amendments that provide for derogations or significantly change the content of the Suitability Policy, in particular as to the applied general principles and criteria.</i></p>
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*The Suitability Policy and any substantial modification thereof is valid upon its approval by the General Assembly.*

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**Principles of the Suitability Policy :**

*The Suitability Policy is clear, sufficiently justified and is governed by the transparency and proportionality principle.*

*The Suitability Policy takes into account the current legislation, the good practices of corporate governance, the Greek Code of Corporate Governance, the Articles of Association and the Internal Regulation Charter of the Company.*

*During the formulation of the Suitability Policy the size, the internal structure, the intention to undertake risk, the nature, the extent and the complexity of its activities, are taken into account, as well as any other information that specifically concerns the Company.*

*It is the responsibility of the Board of Directors to form and monitor the implementation and effectiveness of the Suitability Policy. An effective contribution in preparing and monitoring the implementation of the Policy can be provided by the Internal Audit Department, the Regulatory Compliance Department, the Nominations and Remuneration Committee and the Corporate Secretary where required. The Suitability Policy is evaluated periodically at regular intervals (annually) or when significant events or changes occur. The results of the Suitability Policy assessment as well as the actions to be taken to address any deficiencies identified are recorded.*

*The Suitability Policy takes into consideration the specific description of the duties of each member of the Board of Directors or the participation or not of the latter in committees, the nature of the duties of the latter (executive or non-executive member of the Board of Directors) and his classification as independent or not member of the Board of Directors as well as any specific incompatibility or characteristic or contractual commitment that is related to the nature of the activity of the Company or the Corporate Governance Code that the latter applies.*

*The current Policy is posted, updated on the Company's website: [www.fourlis.gr](http://www.fourlis.gr)*

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**Definitions/General Provisions:**

*The suitability is individual and collective.*

*Individual suitability is the extent to which a person is considered to have as member of the Board of Directors efficient knowledge, qualifications, experience, independent thinking and good reputation as to the performance of his duties as member of the Board of Directors of the company according to the suitability criteria set out in the Suitability Policy of the Company.*

*Suitability Policy is the set of principles and criteria applied at least to the selection, replacement and renewal of the term of the members of the Board of Directors in the course of the assessment of the individual and collective suitability.*

*Collective suitability is the suitability of the members of the Board of Directors as a whole.*

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**1. Which are the principles concerning the selection or replacement of the members of the Board of Directors, as well as the renewal of the term of the existing members?**

The Company has a nine-member (9) Board of Directors and consists of an executive Chairman and a non-executive or independent non-executive Vice Chairman, a Chief Executive Officer and six (6) members.

The Board of Directors consists of persons who have character references, reputation and credibility, suitable for either their executive or non-executive role.

The members of the Board of Directors further have the skills and experience required based on the duties they undertake and their role on the Board of Directors and / or its Committees, as well as sufficient time to perform their duties on a case-by-case basis.

The candidate members of the Board of Directors before assignment of their duties know, as much as possible, the culture, values and general strategy of the Company and are also adequately informed in accordance with the policy and training process of new members of the Board of Directors available to the Company and is described in its Internal Regulation Charter.

During selection, renewal of the term or replacing a member of the Board of Directors, the criteria on the evaluation of suitability, based on the applicable Policy are taken into account.

The suitability of the Board of Directors members is constantly monitored, in order mainly to detect, in the view of any new relevant incident, any case that causes for the reassessment of their suitability.

In particular, it is recommended for the reassessment of the suitability to take place in the following cases:

- when there are doubts as to the individual suitability of the Board of Directors members or the suitability of the composition of the body,
- in case of significant impact on the reputation of a Board of Directors member,
- in case of the occurrence of a fact that might significantly affect the suitability of a Board of Directors member, including the cases in which the members do not comply with the Conflict of Interest Policy of the Company as described in its Operating Charter.

The Board of Directors ensures for the Company an appropriate course of action regarding the smooth continuity of the management for the matters of the Company and the adoption of decisions after the exit of members of the Board of Directors especially referring to executive members and members of the committees.

**2. Which are the criteria on the evaluation of suitability of the members of the BoD**

The criteria for assessing the suitability of the members of the Board of Directors are divided into criteria of individual suitability and criteria of collective suitability. In more details:

**2.1 Individual Suitability**

The individual suitability of the members of the Board of Directors is mainly assessed based on the criteria mentioned below. The criteria are general and apply to all the members of the Board of Directors regardless of whether they are executive, non-executive or independent non-executive members.

Special impediments, commitments or conditions (such as those of art. 3 par. 4, 5 and 6 and art. 9 par. 1 and 2 of Law 4706/2020 and art. 44 par. 1 of Law 4449/2017) apply regardless of the suitability criteria.

### **2.1.1 Efficiency of knowledge and qualifications**

*The members of the Board of Directors have the necessary knowledge, qualifications and experience to perform their duties in view of their role, their office and the prerequisites of the company regarding the abilities necessary for the office.*

*The experience covers not only for the practical experience but also for the professional one and the theoretical knowledge acquired by the members of the Board of Directors over time.*

*During evaluation on the theoretical knowledge and skills of a member of the Board of Directors the level and the kind of his education (field of studies and specialization) are primarily taken into account especially under the condition that it is related to the Company's activities or other relevant fields.*

*The evaluation of the practical experience of a member of the Board of Directors takes into consideration the previous positions and the type of employment held by the member over time (including any business activity).*

*It also takes into account the overall professional development of the member of the Board of Directors, as well as information such as the duration of his term, the size of each company in which he worked, the scale and complexity of business activity, the responsibilities he exercised in it, the possible responsibility of a department and / or number of subordinates, the nature of the company's activities.*

*In the course of the assessment of the sufficient knowledge and qualifications the following may be examined:*

- *The role and the duties of the office and the required abilities,*
- *The knowledge and qualifications that have been acquired in the course of education and training*
- *The practical and professional experience that have been previously accumulated and*
- *The knowledge and qualifications that have been acquired and are proven based on the professional experience and advancement of the member of the Board of Directors.*

*The assessment is not limited to the academic titles of the member not the evidence on the specific time of experience. On the contrary, an in-depth analysis of the experience of the member and his training is carried out, as the knowledge and qualifications that have been acquired in the course of any previous employment*

*depend on the nature, the scale and the complexity of the business activity as well as the duties that the member had in the said course and the level of his responsibility.*

*The executive members of the Board of Directors may have acquired sufficient practical and professional experience either by occupying an office of responsibility or through the exercise of any professional activity for a substantial period of time.*

*It is recommended that the members of the Board of Directors know and clearly understand the provisions on the corporate governance of the company as included in the law and the corporate governance code that the latter applies, the respective role and the responsibilities thereof not only as members of the Board of Directors but also as members of the committees thereof and on a case-by-case basis, the structure of the Group thereof and any potential conflict of interest.*

### **2.1.2 Character references and reputation**

*The good reputation, honesty, ethics and integrity of the members of the Board of Directors are criteria of exceptional importance, which the Company evaluates in detail.*

*A member of the Board of Directors is presumed to have these characteristics, as long as there are no*

objective and proven reasons to suggest otherwise.

For the evaluation of the reputation, honesty and integrity of a candidate or existing member of the Board of Directors, the Company takes into account data, decisions, supporting documents and anything it deems necessary without prejudice to the legislation on personal data protection.

### **2.1.3 Conflict of interest**

The members of the Board of Directors must always be fully informed of the Conflict of Interest Policy implemented by the Company and included in the Internal Regulation Charter. The Conflict of Interest Policy includes, inter alia, conflict of interest prevention procedures as well as measures to detect and manage conflicts of interest.

### **2.1.4 Independent thinking**

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

Objectivity is defined as the impartial attitude and mentality, which allows the member of the Board of Directors to perform his work as he believes and not to accept compromises in terms of his quality.

Independence means the release from conditions that prevent the member of the Board of Directors from exercising his duties in an impartial manner.

In assessing the independence of the crisis 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 that include in particular:

(a) Courage, conviction and vigor to make a meaningful assessment and challenge the proposals or views of other members of the Board of Directors;

(b) The ability to address the other members of the Board of Directors and especially the executive members thereof with reasonable questions and criticize them and

(c) The ability to resist from groupthink.

### **2.1.5 Adequate availability**

The members of the Board of Directors must have the time required for the smooth execution of their duties. The Company informs each candidate member of the Board of Directors for the estimated time required to devote to his duties and to the meetings of the Board of Directors and any other Committees in which he participates as a member. In order to determine the adequacy of time, the capacity and responsibilities assigned to the member of the Board of Directors by the Company are taken into account. The members of the Board of Directors must inform about the number of positions they may hold on other boards and the positions they hold at the same time, as well as about their other professional or personal commitments and conditions to the extent that they are able to affect their time in exercise of their duties as members of the Board of Directors of the Company.

## **2.2 Collective Suitability**

Collective suitability is assessed based on the general and specific criteria listed below.

### **2.2.1 General Criteria for Collective Suitability**

The members of the Board of Directors must collectively be able to make appropriatedecisions taking into account the business model, risk-taking, strategy and markets in which the Company operates. The members of the Board they must collectively have the necessary skills to effectively monitor and critique the decisions of senior management.

All areas of knowledge required for the business activities of the Company are covered by the Board of Directors collectively with sufficient expertise among its members. There is a sufficient number of members with knowledge in each field to enable a discussion to take place on the decisions to be taken. The members of the Board of Directors, collectively have the necessary skills to present their views.

The composition of the Board of Directors reflects the knowledge, skills and experience required to exercise its responsibilities. This includes the requirement that the Board of Directors has an adequate understanding of the areas for which members are collectively responsible and has the necessary skills to exercise the actual management and supervision of the Company, including:

- Its business activity and the main risks associated with it,
- Strategic planning
- The financial reports,
- Compliance with the legislative and regulatory framework,
- Understanding corporate governance issues,
- The ability to identify and manage risks,
- The impact of technology on its activities,
- Adequate gender representation.

### **2.2.2 Special Criteria for Collective Eligibility: Adequate representation by gender**

Gender must be adequately represented on the Board of Directors (by 25% of all members of the Board of Directors), a criterion which is taken into account by the Nominations and Remuneration Committee when submitting proposals for the appointment of members of the Board of Directors. According to this Suitability Policy, the Board of Directors must always ensure time in general to ensure equal treatment and equal opportunities between the sexes. This aspect extends beyond the selection of members of the Board of Directors to the provision of training to the members of the Board of Directors.

### **3. Diversity criteria**

In order to promote an appropriate level of differentiation in the Board of Directors and a diverse group of members, the Company implements an Equal Opportunities and Diversity Policy when appointing new members of the Board of Directors. In addition to adequate gender representation, the selection of new members for the Company's Board of Directors shall not be excluded on grounds of discrimination based on sex, race, color, nationality or social origin, religion or belief, property, birth, disability, age or sex. The current Equal Opportunities and Diversity Policy is posted on the Company's website: [www.fourlis.gr](http://www.fourlis.gr)

### **4. Nomination and Remuneration Committee**

The Committee for the Nomination and Remuneration of the Company has been established on the basis of no. 11 and 12 of L.4706 / 2020, in order to support the Board of Directors, in fulfilling its obligations to shareholders, regarding ensuring that the nomination of candidates for the Board of Directors is done in a meritocratic and objective manner, in order to ensure smooth succession of its members as well as the top executives with the aim of the long-term success of the Company. In the

context of its role, the Nominations and Remuneration Committee identifies and proposes to the Board of Directors persons suitable for the acquisition of the status of a member of the Board of Directors, based on a procedure provided in the Internal Regulation Charter. For the selection of the candidates, it takes into account the factors and criteria determined by the Company, in accordance with the Suitability Policy that it adopts.

The Nomination and Remuneration Committee formulates proposals to the Board of Directors regarding the Remuneration Policy submitted for approval to the General Meeting (law 4548/2018, no. 112) and the remuneration of persons falling within the scope of the Remuneration Policy and executives of the Company, in particular the head of the Internal Audit Department and examines the information included in the final draft of the annual salary report, providing its opinion to the Board of Directors before submitting the report to the General Meeting. The remuneration policy and practices adopted by the Company are characterized by fairness and responsibility and clearly link the performance of the Company with that of the individual.

In the context of its role, the Committee for the Nominations and Remuneration:

- Participates in the determination of the selection criteria and the procedures for the promotion of the members of the Board of Directors.
- Submits proposals for the Diversity Policy including gender balance.
- Submits proposals to the Board of Directors for the nomination of its candidate members in the context of the approved Suitability Policy.
- Carries out the process of determining and selecting candidate members of the Board of Directors within the approved Suitability Policy.
- Submits proposals to the Board of Directors for the revision of the Suitability Policy if required.
- Periodically evaluates the size and composition of the Board of Directors and submits proposals for consideration regarding its desired profile.
- Evaluates the existing balance of qualifications, knowledge, views, skills, experience related to corporate goals as well as between the sexes and based on this evaluation, describes the role and skills required to fill vacancies.
- Informs the Board of Directors about the results of the implementation of the Suitability Policy of the members of the Board of Directors and the taking of any measures in case of deviations.
- Examines the Annual Remuneration Report of the members of the Board of Directors.
- Submits proposals to the Board of Directors regarding the remuneration of the members of the Board of Directors within the approved Remuneration Policy.
- Submits proposals to the Board of Directors for the revision of the Remuneration Policy if required.
- Informs the Board of Directors about the results of the implementation of the Remuneration Policy of the members of the Board of Directors and the taking of any measures in case of deviations.
- Submits proposals to the Board of Directors regarding the salaries of the Company's executives, in particular the head of the Internal Audit department.

## **5. Diversity criteria**

In exceptional cases, deviation from the Policy is temporarily allowed, whenever deemed necessary by the Board of Directors, in order to serve the long-term interests of the Company as a whole and to ensure its viability. Any derogation must be considered and approved by the Board.

## **6. Application, monitoring and amendment to the Suitability Policy**

The Suitability Policy is harmonized with the general framework of corporate governance, the corporate culture and the intention to undertake risks by the Company.

*Procedures necessary for the implementation of the Policy have been set.*

*Monitoring the implementation and effectiveness of the Suitability Policy is the responsibility of the Board of Directors with the assistance of the Internal Audit Unit, the Regulatory Compliance Unit, the Nominations and Remuneration Committee and the Corporate Secretary.*

*It is recommended for the documentation on the approval of the Policy and any amendments thereto to be archived even electronically. Also, a record is kept of the results of the evaluation of the suitability and any discrepancies between the projected and actual individual and collective suitability together with any corrective actions.*

The proposed Suitability Policy of the members of the Board of Directors is available for the investment public from the corporate website <https://www.fourlis.gr>

**SUBJECT 12: Establishment of a program for the acquisition of company shares in the form of stock options to executives of the company and its affiliated companies in accordance with article 113 of L.4548/2018. Authorizing the Board of Directors to regulate procedural matters and details.**

**Required quorum: 1/2 (50%) of the paid-up share capital of the Company**

**Required majority: 2/3 (66,67%) of the represented in the AGM votes.**

The Board proposes the approval of a decision on the establishment and implementation of a Stock Option Program in the form of a share options in accordance with the provisions of article 113 par.13 of L.4548/2018 to senior executives of the Company and its affiliated companies within the meaning of article 32 of L. 4308/2014 as applicable.

Through this proposal, the Board of Directors aims to attract, retain and encourage senior executives of the Company and its affiliated companies that will be selected at the reasonable discretion of the Board of Directors, by taking into account in particular their participation in the so far development of the Company and its affiliated companies and FOURLIS Group in general. The high level managerial skills and the personal influence of the senior executives, is the necessary added value for pursuing and succeed on the high return targets of the Company and the Group for the future. Furthermore, it is aimed to secure the terms and conditions for the smooth succession of top executives of the Company and its affiliated companies, especially the Managing Directors of these companies with twelve-year (12 years) prior experience in FOURLIS Group, that will be selected at the reasonable discretion of the Board of Directors, in view of their impending departure and to reward them as recognition of their long-term contribution to the development of FOURLIS Group. Through this program, participants gain immediate equity interest in the Company and will link their performance to the future performance of the Company and FOURLIS Group in general, as it is reflected in the increase of the share price of the Company.

Under the proposed terms of the Program, the maximum total number of options to be distributed may not exceed one million six hundred thousand (1.600.000) shares, one share each. The proposed exercise price is the closing price of the share at the day of the approval from the Annual General Meeting. The Board of Directors of the Company,

following the approval of the General Meeting, will define on November 22, 2021 the participants in the program and will arrange all the procedural issues and details in relation to the Stock Option Plan implementation. Participants can only be members of the management team, which they belong in the payroll of the Group and selected executive members of the Board of Directors of the Company. The stock options can be exercised during 2024-2028. Any new shares derived from the exercise of stocks options, in accordance with the program, will be issued through a share capital increase.

**SUBJECT 13: Share Buy Back approval and more specifically Buy Back of 2.604.600 shares (5% of share capital) within 24 months from approval, with a minimum purchasing price of one euro (1,00 €) per share and maximum eight euro (8,00 €) per share in accordance with Article 49 of Law 4548/2018**

**Required quorum: 1/2 (50%) of the paid-up share capital of the Company**

**Required majority: 2/3 (66,67%) of the represented in the AGM votes.**

The Chairman of the General Assembly, in accordance with the provisions of Article 49 of Law 4548/2018, submitted for approval to the General Assembly, a Share Buy Back program. Regarding the terms and conditions of the Share Buy Back program, the Chairman proposed to the shareholders that the maximum number of shares that may be acquired will be 2.604.600 shares (5% of the paid-up share capital), the approval of the General Meeting will be granted for a period of 24 months and finally to define the minimum purchase price of one euro (1.00 €) per share and the maximum of eight euros (8.00 €) per share.

It is proposed, the General Assembly to authorize the Board of Directors to implement the Share Buy Back.

It is worth mentioning that according to Greek Law, the execution of the Share Buy Back is not compulsory. Therefore, the Company is able to execute the program partially or the company is able not to execute the program at all. The execution of the program will depend on various factors indicatively but not limited to, the execution of the development and investment plan as well as the availability of funds.