

SUITABILITY POLICY OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

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A.- INTRODUCTION.

The Suitability Policy of the members of the Board of Directors is part of the Corporate Governance system of the company in accordance with Article 3 of Law 4706/2020 on Corporate Governance and the guidelines of the Hellenic Capital Market Commission.

The purpose of the Suitability Policy is to ensure the quality staffing, the efficient operation as well as the fulfillment of the role of the Board of Directors at individual and collective level, based on the general strategy and the medium-long-term business aspirations of the Company, in order to promote corporate interest.

B.- PROCEDURE FOR APPROVAL OF POLITICAL SUITABILITY.

The Suitability Policy is approved by the Board of Directors of the company, according to article 3 par. 1 of Law 4706/2020 and is submitted for approval to the General Meeting, according to article 3 par. 3 of Law 4706/2020. Amendments to the Suitability Policy are approved by the Board of Directors and if they are essential, they are submitted for approval to the General Assembly in accordance with article 3 par. 3 of Law 4706/2020. The Suitability Policy and any substantial modification is valid from its approval by the General Assembly. Modifications that introduce derogations or that significantly alter the content of the Suitability Policy, in particular as regards the general principles and criteria applicable, are considered substantial.

The current Suitability Policy is posted, updated, on the Company's website.

C. - PRINCIPLES OF SUITABILITY POLICY.

1.- The Company's Suitability Policy is governed by the principle of transparency and proportionality and is in accordance with both the provisions of the Company's Rules of Procedure and the June 2021 Corporate Governance Code of the NSRF, which have been adopted and implemented by the company.

2.- For the configuration of the Suitability Policy, the size, the internal organization, the risk-taking disposition, the nature, the scale and the complexity of the company's activities have been taken into account, as well as the relevant suggestion of the Remuneration and Nominations Committee of the Board of Directors, so that it corresponds substantially to its structure and business activity, which includes, by way of example and not restrictively, the areas of marketing of musical instruments and sound systems, publishing of musical works in printed and digital form, music education, management and copyright protection of the creators of music and other works and the copyright holders, the organization of alternative

packaging management systems as well as packaging waste and electrical and electronic equipment and the marketing of stationary items, gifts and decoration.

3 .- In addition to the Remuneration and Nominations Committee, the Internal Audit and the Regulatory Compliance contribute to the monitoring of the implementation and effectiveness of the Suitability Policy, its updating and adaptation to the needs of efficient and transparent operation of the company.

The Company records the results of the suitability assessment and in particular any weaknesses identified between the expected and the actual individual and collective suitability, as well as the measures to be taken to address these deficiencies.

4 .- Furthermore, the Suitability Policy takes into account the more specific description of the responsibilities of each member of the Board of Directors or his participation or not in committees, the nature of his duties (executive or non-executive member) and his characterization as an independent or non-member of the Board, as well as in particular incompatible or characteristic or contractual commitments that are related to the nature of the Company's activity or the Corporate Governance Code that it applies, in order to ensure the free expression of different views in the management of the company, the selection of experienced persons in the management by meritocracy, combined with historicity, ethics and everyone's reputation, transparency in decision-making and adequate gender representation in the composition of the Board of Directors.

D.- SUITABILITY EVALUATION CRITERIA.

The suitability criteria for the participation of persons in the management of the company concern both their individual suitability and the collective suitability of the Board of Directors.

1.- The Remuneration and Nominations Committee of the Board of Directors identifies and proposes to the Board of Directors persons suitable for the acquisition of the status of a member of the Board of Directors, by auditing and evaluating the nominations, in order to ensure the existence of a sufficient number of members and an appropriate composition with general knowledge or experience of the fields of activity and necessary experience at the collective level, in order to enable constructive discussions for the effective execution of its tasks and the correct decision-making.

Special obstacles, obligations and conditions that are set each time by the current legislation, are applied regardless of the suitability criteria.

The company is governed by the Board of Directors, which consists of three (3) to fifteen (15) members, who are elected either by shareholders or non-shareholders of the company, by the General Meeting of Shareholders.

2.- The criteria for the individual suitability of members of the Board of Directors of the company are:

(a) The knowledge, experience and skills required to perform their duties either in all areas of the company or in the specific field for the operation of which theoretical and practical specialization is required.

The evaluation is not limited to the academic qualifications of the member or to the proof of a specific length of service and includes the professional and practical experience of the member as well as his development.

The evaluation of the experience takes into account the employment in previous positions and the type of employment, the duration, the scale and complexity of the employment, the responsibilities and the number of staff under his/her management.

The evaluation of the specific areas of knowledge, experience and skills examines the skills for staffing the committees of the Board of Directors that are mandatory by law, such as the Audit Committee and the Nominations and Remuneration Committee, the skills and experience for supervision or / and the staffing of non-statutory committees or working groups established by decisions of the Board of Directors when they are considered useful in order to contribute to the work of the Board of Directors, to achieve a high level of Corporate Governance and to the more efficient operation of the management. Such committees may be provided for compulsorily or optionally in the Company's Articles of Association, in the KED, in the Internal Rules of Operation or may be established by a decision of the Board of Directors and be supervised by Board members who may participate in them. These Committees or working groups which consist of Executives and / or members of the Board of Directors may be assigned the supervision of areas such as, for example, Corporate Governance, Regulatory Compliance, Cybersecurity, Personal Data Protection, Corporate Social Responsibility, Corporate Risk Management, Strategic Planning, Investment Evaluation, Employee Health and Safety.

The executive members of the Board of Directors may have acquired sufficient practical and professional experience, either by holding positions of responsibility for several years, or through the exercise of business activity, for a sufficient period of time. An important parameter that is taken into account in the criteria of individual suitability, sometimes prevailing over the other criteria, is the unifying and leading features that can be attributed to members of the Board of Directors as personalities who are appreciated by executives and human resources, partners, customers, suppliers and are a point of reference and example for their ethos, their values, their behavior over time and their contribution to the Group and ultimately contribute by their presence on the Board to maintain principles, values and effectiveness in the work of the Board, as well as in the activities of the company's executives.

For the suitability of independent or not, non-executive members of the Board of Directors, it is taken into account the knowledge, the professional or institutional experience, the professional development and the roles they have taken on, their prestige and ability to form an objective, global view of all corporate affairs and to transfer it impartially to the Board of Directors of the company.

The non-executive members of the Audit Committee should have a more specific knowledge of the work of the Committee and a broader knowledge or general experience in the areas in which the company operates, while the composition of the Committee should take into account that at least one member must have sufficient knowledge of Auditing or Accounting.

During the process of evaluating the candidacies or re-evaluating the members of the Board of Directors, the qualifications and the required special characteristics required to have the non-executive members of the Board of Directors are examined in sufficient numbers so that they are suitable for the adequate staffing of the Audit Committee regardless of the participation or non-participation of third parties with proven audit or accounting knowledge.

The guideline of the Company's Suitability Policy is to include in the Board of Directors members with experience in areas that have been characterized in the recent past as highly critical and for which a tendency of necessity to participate in the Boards is developing internationally.

(b) Their good reputation and ethos, based mainly on honesty and integrity.

In order to assess this criterion, the company may conduct an investigation in compliance with the legislation on personal data protection, request information and relevant supporting documents for any final administrative and judicial decisions against the member, in particular for infringements and offenses related to his capacity as a member of the Board of Directors or by non-compliance with the provisions of the legislation of the Hellenic Capital Market Commission or in general with financial crimes. In each case, the relevance of the offense or measure to the role of the member, the seriousness of the offense or measure, the general circumstances, including mitigating factors, the role of the person involved, the penalty imposed, the stage reached the legal process and any remedial measures implemented as well as the time that has elapsed and the behavior of the person after the infringement or the offense.

It is also examined the harmonious coexistence of the member with the executives and the employees, his extroversion, his responsibility and consistency, his understanding of the regulations, his degree of entrepreneurship, his professional and social distinctions as well as his knowledge of philosophy and of company values.

(c) The conflict of interest, for the evaluation of which complete and sufficient documentation is submitted by the member, in order to be able, in combination with the research by the company, to be a sufficient basis for discussion and decision making for the appropriate management of the issue based on the Company's Conflict of Interest Policy.

The members of the Board of Directors have an obligation of loyalty to the company and must avoid conflicts of interest with it.

Furthermore, the members of the Board of Directors of the company must:

- not take advantage, for their personal benefit, of real or potential opportunities, which arise as a result of the use of the company's assets, as a result of information whose possession is directly related to their participation in the Board of Directors of the company or in general as a result of their capacity as members of the Board of Directors of the company without the consent of the Board of Directors. The members of the Board of

Directors must promote the interests of the Company in any case where they are given the opportunity.

The members of the Board of Directors are not allowed to use any information that comes to their knowledge, in the exercise of their duties, in order to carry out transactions by themselves or by third parties on shares of the company. The members of the Board of Directors must inform the Audit Committee, through the Head of Regulatory Compliance and Risk Management, on an annual basis, of their main professional positions and activities, including any duties they have undertaken as well as the legal entities in which either they or their affiliates are shareholders or shareholders at a rate that allows them to control more than 10% of the voting rights. In addition, the members of the Board of Directors must notify the Audit Committee in a timely basis, through the Head of Regulatory Compliance and Risk Management, of any changes in the above, as well as any other event that could potentially cause any conflict of interest with the interests of the company.

The members of the Board of Directors must notify in time the Audit Committee, through the Head of Regulatory Compliance and Risk Management, and before its conclusion, of any significant transaction.

The members of the Board of Directors must not participate in discussions and decisions on any issue, in which there is a real or possible conflict of their interests with those of the company.

The Chairman of the Board of Directors may request one or more members of the Board of Directors to abstain from discussing and deciding on specific issues, if in his judgment there is a conflict of interest.

(d) The independence of judgment, which is determined by the objectivity in the performance of the duties of the member with observance of impartial attitude and mentality of free and without influence and compromises of expression of his views with courage, conviction of correctness and active participation in.

(e) Allocation of sufficient time, which must be available to all members of the Board of Directors to perform their duties the time required based on the description of their position, role and duties, in order to perform their duties with conscientiousness and completeness. In order to determine the adequacy of time it is taken into account, the capacity and responsibilities assigned to the member of the Board been also an executive staff as it concerns the executive members, the number of his positions as a member in other BoDs and the resulting qualities held by that member at the same time, as well as other professional or personal commitments and conditions.

In the event that it is found that one or more of the above criteria of individual suitability, based on this policy, cease to meet the person of a member of the Board, for reasons that this person could not prevent even with extreme diligence measures, then the Company's body immediately terminates and replaces it within the time limits provided by the applicable legislation.

3.- Regarding the criteria for the collective suitability of the Board of Directors of the company, the following are provided:

3.1 The Board of Directors is suitable for the exercise of its responsibilities and its composition contributes to the effective management of the Company and the balanced decision making.

The members of the Board of Directors are collectively able to make appropriate decisions taking into account the business model, the risk-taking mood, the strategy and the markets in which the Company operates. Also, the members of the Board of Directors collectively are able to effectively monitor and judge the decisions of senior management.

All areas of knowledge required for the business activities of the Company it is recommended to be covered by the Board of Directors collectively with sufficient expertise among its members. It is also recommended that there is a sufficient number of knowledgeable members in each area to be able to discuss the decisions to be taken. The members of the Board of Directors collectively have the necessary skills to present their views.

3.2 The composition of the Board of Directors reflects the knowledge, skills and experience required to exercise its responsibilities. This includes the requirement for the Board of Directors as a whole to adequately understand the areas for which members are collectively responsible, and to have the necessary skills to exercise the actual management and supervision of the Company, including:

- business and the main risks associated with it,
- strategic planning,
- 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 activity,
- Adequate gender representation.

3.3 Specifically regarding the issue of adequate representation by gender, the Remuneration and Nomination Committee of the company shall take this criterion into account when submitting proposals for the appointment of members of the Board of Directors, in order to ensure at representation of at least twenty-five percent (25 %) on all members of the Board.

The company generally ensures equal treatment and equal opportunities between the sexes and this aspect extends beyond the selection of members of the Board of Directors and the provision of training to members of the Board.

3.4 The Company has the primary responsibility for identifying gaps in terms of collective suitability. For this purpose, the Board of Directors conducts its self-evaluation annually. The evaluation of the Board of Directors can also be carried out by third parties.

3.5 The Company has and implements a diversity policy in order to promote an appropriate level of differentiation in the Board of Directors and a diverse group of members. This Policy is convinced that a Board of Directors that has a wide range of perspectives and diversity is in a better position than other Boards with limited scope, as the existence of diversity allows the company to take advantage of market opportunities and effectively manage risks.

The Board can be highly efficient if it consists of a wide range of members with diverse but complementary groups of skills or knowledge. Its culture is positively shaped by the different approaches and views and will definitely be quite representative of the values of the Group. In this way, the Board of Directors ultimately forms a progressive and thoughtful perception of its affairs, while at the same time promoting prudent risk-taking.