

# **CONFLICT OF INTEREST POLICY – MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF DIRECTORS**

## **I. DEFINITIONS**

**“Close Relatives”** means, in respect of a Member, persons that are considered to have a close link to the Member and especially:

- the spouse of the Member, as well as its partner that may be considered as spouse, according to the legislation in force at the time,
- the children of the Member.

**“Company”** means H.C.A.P.

**“Competitor”** means, with respect to the Company or one of its Subsidiaries:

- a company or business which is active in a business sector competitive to that of the Company or to that of its controlled businesses (direct and indirect Subsidiaries), meaning that it pursues all or certain of the scopes pursued by the Company or the relevant Subsidiary or performs activities similar to those scopes or participates in any way to companies pursuing such scopes; and
- a company affiliated to such company or business, as per article 32 of Law 4308/2014.

**“Conflict of Interest”** means any professional or other situation that could potentially influence in an unfair way the ability of a person to evaluate or to reach a decision, especially regarding the independence or the impartiality of such, which may result in potential danger of causing damage to the interests of the Company as well as to the those of the State.

**“Direct Subsidiary”** means any of the entities mentioned in article 188 of the HCAP law, namely ETAD, EDIS, TAIPED and HFSF.

**“Indirect Subsidiary”** means a Subsidiary of a Direct Subsidiary.

**“Material Business Relationship”** means a material business relationship between a company or individual and the Company or its Subsidiary, such as for example:

- a project contract,
- an agreement for the sale of goods,
- an agreement for provision of consulting services,
- an agreement for privatization,
- an agreement for the exploitation of an asset,

- a loan agreement,

and by virtue of that relationship, that company or individual obtains a material financial benefit that constitutes a significant percentage of his/her total income or its turnover in the event of a business entity. For instance, a business relationship can be deemed as material if the transaction value (of all outstanding transactions) entered into between that company or individual and the Company or its Subsidiary is equivalent to: (i) regarding that company or individual – 5 percent of turnover in the case of a company, or 10 percent of income in the case of an individual; or (ii) regarding the Company or its Subsidiary – 5 percent of turnover.

**“Material Stake”** means, in respect of a company, 10% or more of the shares, company stakes or any other type of rights including voting rights in that company or, in case of listed companies, of shares amounting to 3% of the voting rights or of the share capital of that company.

**“Member”** means a member of the Supervisory Board or of the Board of Directors, as applicable, or a prospective member being considered for appointment.

**“Private Interest”** means any interest or gaining of undue advantage capable of compromising the impartial and objective performance of the duties of the BoD/SB members, during their term by handling specific cases.

**“Relatives”** means, in respect of a member or prospective member, persons that are considered to have a close link to the member or prospective member and especially:

- the spouse of the Member, as well as its partner that may be considered as spouse, according to the legislation in force at the time,
- the rest of its relatives, with a family relation up to second degree.
- any legal entity, in whose Board of Directors or management the Member or a person referred to in points (a) and (b) of the present definition is a member, or legal entities with whom the aforementioned persons maintain “close links”, i.e. with whom the aforementioned persons are linked through:
  - a) “participation relationship”, i.e. through the possession of, directly or through effective control over, a percentage of 10% or more of the voting rights or of the share capital of the entity (in cases of more than one Relative their percentages shall be taken into account cumulatively), or
  - b) “control relationship”, i.e. the entity is a Subsidiary of an entity referred to in paragraphs (a) or (b) of the present definition, or there is a similar relationship between any natural person or legal entity

**“Subsidiary”** means, with respect to a company, an affiliate of that company according to the provisions of article 32 of Law 4308/2014.

**“Political Party Official”** means an official of a political party whose job is related to its political functioning and cumulatively she/he is on the pay roll of that party.

## **II. Additional Eligibility Criteria**

1. In relation to prospective members of the Board of Directors, if the prospective member is a member of a Parliament or of a Government in any country, an official of any ministry or other public authority in any country, or an official of the European Commission, ECB, ESM or IMF (provided that being an official or person employed at a University shall not be considered as being an official of the Government or official of a ministry or other public authority), then that person may not be appointed as a member of the Board of Directors.
2. In relation to the Board of Directors members the two (2) Executives, the Chairman and one member of the Board should have excellent command of the Greek language and the rest of the members should have good command of the Greek language.

## **CHAPTER I.**

### **DUE DILIGENCE FOR CONFLICT OF INTEREST, BEFORE THE APPOINTMENT OF THE MEMBERS OF THE SUPERVISORY BOARD AND OF THE BOARD OF DIRECTORS**

1. Apart from the incompatibilities and impediments provided for in article 194 of Law n.4389/2016, during the selection process for members, certain circumstances, which could potentially lead to a conflict of interest, should be taken into account.

For the purposes of the present policy, the notion of conflict of interest shall at least include any situation in the frame of which it can be reasonably assumed that any other kind of obligations, interests or duties of the prospective member shall:

- a. Result in harm caused to the impartial and objective performance of the duties of the prospective member,
  - b. Allow the exploitation by the prospective member of its position as well as of the information and confidential data, to which he/she has access due to its position, for his/her personal benefit or for the benefit of a third party.
2. The due diligence for potential conflicts of interest is applicable at least to the following categories of persons:
    - to potential members, as well as
    - to Relatives.
  3. For the purposes of the present policy, a potential conflict of interest exists in case the impartial and objective performance of the duties of a person, is undermined by family reasons, by political or national links, by financial interests or by any other reason, such as especially in the case where:
    - a. **(Competitors)** the prospective member or its Relative:
      - i. holds or effectively controls a Material Stake in a Competitor; or
      - ii. is an executive or non-executive member of the Board of Directors, or a senior executive, of a Competitor;
    - b. **(Material Stakes)** the prospective member's Relative:
      - i. holds or effectively controls a Material Stake in a Subsidiary of the Company;  
or
      - ii. is an executive or non-executive member of the Board of Directors, or other senior executive, of the Company or of a Subsidiary of the Company;



6. Without limiting what can constitute a potential conflict of interest, there will be a conflict of interest which prevents the prospective member from being appointed to the Board of Directors or the Supervisory Board:
  - a. **(Material Stakes)** if:
    - the prospective member or their Close Relative holds or effectively controls a Material Stake in a Subsidiary of the Company; or
    - the prospective member's Close Relative is an executive or non-executive member of the Board of Directors, or other senior executive, of the Company or of a Subsidiary of the Company;
  - b. in the case described in paragraph 0(d) above **(external auditor)**; or
  - c. **(Political Party Official)** if the prospective member holds a position as a Political Party Official.
7. The prospective member shall take all actions recommended by the Shareholder or the Supervisory Board (as applicable) for the dissolution of the conflict before they can be deemed suitable for appointment as member of the Supervisory Board or Board of Directors. Before their appointment the prospective member must submit a declaration for the absence of any conflict of interest, for the confirmation that no incompatibility and/or impediment of article 194 of Law 4389/2016 exists, as well as for the detection of any circumstance, which could lead to a conflict of interest.

## **CHAPTER II.**

### **OBLIGATIONS OF THE MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF DIRECTORS DURING THE TERM OF THEIR SERVICE**

#### **MANAGEMENT OF CONFLICT OF INTEREST DURING A DIRECTOR'S SERVICE**

1. During the term of their service, the members of the Supervisory Board and of the Board of Directors are obliged to:
  - a. identify relevant Private interests that potentially conflict with their duties; Private interests shall include gaining of undue advantages either in favour of the member directly, or his/her spouse (or partner to be considered legally as spouse) or any relatives (by blood or in-law) up to fourth degree, or any legal entities closely related to them. In case, that the member is aware of such a situation then he/she should declare the arisen impediment and refrain from handling the specific cases, as stated in 3a of the present Chapter.
  - b. promptly, disclose all relevant information about a conflict when circumstances change after their initial disclosure, or when new situations arise, which may result to a conflict of interest.

The disclosure should include sufficient information on the conflicting interest to enable an adequately-informed decision to be made about the appropriate resolution by the corporate body responsible to do so.

2. The monitoring of the compliance with the conflict of interest policy of the Company is assigned to a special corporate compliance function, according to the Company's corporate governance policy.
3. The Shareholder or the Supervisory Board, as the case may be, shall decide on the possible positive resolution or management of a continuing or pervasive conflict as appropriate. The Shareholder shall seek an on – binding consultation with the institutions, when the resolution or management of conflict of interest concerns members of the Supervisory Board during their term of service. The solutions may include, without limitation:
  - Recusal of the member from involvement in an affected decision-making process and restriction of access by the affected member to particular information; or
  - Divestment or liquidation of the interest by the member or the Relative; or
- c. Resignation of the relevant member from the Supervisory Board or the Board of Directors.

## **TRANSPARENCY REQUIREMENTS**

4. The Company shall keep a register of the potential conflicts of interest which the current members of the Board of Directors and the Supervisory Board have disclosed, and make an anonymised version of it publicly available as described in the Internal reporting framework and the code of corporate governance.

## **ADDITIONAL RESTRICTIONS**

### **Movement among Boards and HCAP companies**

5. Subject to paragraph 11 below, a person who has served as a director or senior executive of the Company or of a Subsidiary of the Company in the previous 12 months may not be appointed as a member of the Supervisory Board, and a person who has served on the Supervisory Board in the preceding 2 years may not be appointed as a member of the Board of Directors of the Company or of a Subsidiary of the Company.
6. During the term of their service, the non-executive members of the Board of Directors of the Company shall abide by the requirements of Article 4 of Law 3016/2002. This requirement prevails over any other provision of this Policy to the extent of any inconsistency.
7. During the term of their service, executive members of the Board of Directors of the Company may also serve as non-executive directors of direct Subsidiaries, provided that they can still provide sufficient time to their role on the Board of Directors of the Company.
8. During the term of their service, a member of the Board of Directors of the Company or of a Direct Subsidiary may not also simultaneously serve as a director of an Indirect Subsidiary
9. A director of an Indirect Subsidiary may be appointed to the Board of Directors of the Company or of a Direct Subsidiary if the Supervisory Board considers that this will not, taking into account all the circumstances and a recommendation from HCAP's compliance function, constitute a conflict of interest.
10. A director of the Company or of a Direct Subsidiary may be appointed to the Board of Directors of an Indirect Subsidiary, subject to paragraph 8 above.
11. The cooling off period of 12 months in paragraph 5 above shall not apply if the relevant Member only served as a director or senior executive of a Subsidiary of the Company before the Supervisory Board was first convened.
12. The provisions of paragraphs 5 to 10 above are subject to the requirements of any applicable laws and regulatory rules as set out by the adopted Corporate Governance Policy relating to the appointment of members of the governing bodies of the Company and its Subsidiaries.



### **Other requirements**

13. It is forbidden for the members of the Supervisory Board or the Board of Directors, and their Relatives, to use any information obtained during the term of their service for the conduct of personal transactions or transactions for the benefit of third parties. In addition, such members and Relatives shall be obliged to secure that the conduct of their personal transactions does not result in any damage caused to the Company or its Subsidiaries (direct and indirect) taking also into account the public interest as described in art. 185 of its founding law.
14. Furthermore, the members of the Supervisory Board or the Board of Directors and their Relatives are not allowed to accept any allowance or other privilege from any third party natural person or legal entity that may put into question the independence of the decisions adopted by the members of the Supervisory Board or the Board of Directors.
15. The existence of activities as described in paragraphs 13 and 14 of this Chapter II prevents a person from continuing to serve, as a member of the Supervisory Board or Board of Directors.

### **Post-directorship cooling off**

16. For a period of one year from the termination of their involvement with the Company, the members of the Supervisory Board and the Board of Directors and their Close relative shall refrain from any of the following actual or potential conflicts of interest which may be caused by the undertaking of new private or professional activities, unless that conflict is endorsed by the Supervisory Board:
  - a. the circumstances described in paragraph 6 (a) or (b) of Chapter I above; or
  - b. the Member or their Close Relative enters (or proposes to enter) into:
    - an employment relationship; or
    - an arrangement for professional or commercial services, with an entity that has a Material Business Relationship with the Company or Subsidiary of the Company, and:
    - the Member's or Close Relative's duties in the relevant position of employment; or
    - matters within the scope of the relevant arrangement for professional or commercial services, are closely connected with that Material Business Relationship.
17. Each time a Member or former Member and its Close Relative intends to undertake any such potentially conflicting activity, he/she notifies in writing the department responsible for the Company's corporate compliance before the assumption of any relevant commitment. The compliance function shall prepare a recommendation and provide it to the Board of Directors, the Supervisory Board and the sole Shareholder.

18. In any case, following termination of their duties and for a period of six (6) months after that it is forbidden for the aforementioned persons to provide services or to enter into a project agreement or to conduct sales of goods and in general to proceed to any professional transaction with the Company or its Subsidiaries.

ANNEX 1 – Form of disclosure declaration – Supervisory Board

***[template used previously to be inserted]***

ANNEX 2 – Form of disclosure declaration – Board of Directors

***[template used by the Supervisory Board to be inserted]***