



Eligibility Policy - Policy of Candidacy

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**Eligibility policy - Policy of Candidacy
of the members of the Board of Directors of EYDAP**

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A. Introduction 1. Institutional framework

(1) The Article 1 of Law 2744/1999 stipulated that the SA under the name " Athens Water Supply and Sewerage Company S.A. " (EYDAP) is governed by the provisions of codified law no. 2190/1920 (now law 4548/2018) for SAs and law 2414/1996 (on the modernization of Public Enterprises and Organizations), as well as in addition to the provisions of (its original founding law) law 1068/1980, is and under the supervision of the Minister of Environment, Spatial Planning and Public Works.

(2) In accordance with article 16 of law 3429/2005 and the article 1 of its Articles of Association, the provisions of law 4706/2020 and the other provisions applicable to any other public limited company, the securities of which are traded in a regulated market.

(3) According to the Company's Articles of Association (article 11) the Company is managed by the Board of Directors, the number of members of which is odd and may not exceed thirteen (13) members or be less than seven (7) members. The General Meeting of Shareholders is responsible for determining the number of members of the Board of Directors as well as to increase or decrease their number, always within the framework set by this paragraph. The Board of Directors consists according to the provisions of the Articles of Association: (a) of two (2) representatives of the employees in the Company. (b) by two (2) members representing the minority shareholders; (c) by representatives of the shareholders elected by the General Meeting in accordance with the provisions of Law 4389/2016 and Law 4548/2018. One (1) member of the Board of Directors is proposed for election by the Minister of Finance in the Hellenic Holdings and Property Company SA, which exercises the rights of appointment or voting in the General Meeting according to Law 4548/2018.

(4) In accordance with this framework, this Eligibility policy - Policy of Candidacy of Company takes into account the requirements that the Company must meet regarding the suitability of its Board members, the obligations established regarding the Policy in accordance with Law 4706/2020 and Circular 60/2020 of the Hellenic Capital Market Commission, the overall legal framework governing the operation of the Company, including article 197 par. 4 of Law 4389/2016 , the Rules of Procedure, the Corporate Governance Code that applies and the Articles of Association.

2. Objective

- (1)** The purpose of this Policy for the members of the Board of Directors of the Company is to determine: :
- i. the principles which concerning the election or replacement of the members of the Board of Directors and the renewal of the term of office of its existing members,
 - ii. the criteria for assessing the suitability of the members of the Board of Directors, in particular as regards the guarantees of the morality, the reputation, the adequacy of knowledge, the skills, the independence of judgment and the experience in the performance of the tasks assigned to them, and

iii. the criteria of multiformity for the selection of the members of the Board, according to article 3 of law 4706/2020.

(2) The Policy aims at ensuring the quality staffing, at efficient operation and fulfillment of the role of the Board of Directors based on the general strategy and the medium and long term business aspirations of the Company in order to promote the corporate interest.

3. General principles

(1) The Board of Directors of the Company has a sufficient number of members and an appropriate composition.

(2) The Company seeks the staffing of the Board of Directors with persons of morality and reputation and ensures that the members of its Board of Directors have the skills and the experience witch required based on the duties they undertake and their role on the Board of Directors, and also have the sufficient time for the performance of their duties. To this end, the Policy takes into account the more specific description of the responsibilities of each member of the Board or his participation or not in committees, the nature of his duties (executive or non-executive member of the Board) and his characterization as an independent or non-member of the Board, as well as in particular incompatible or characteristic or contractual commitments related to the nature of the Company's activity and the Corporate Governance Code that it applies.

(3) During the formulation of the Policy, have been taken into account the size, the internal organization, the nature, the scale and the complexity of the Company's activities.

B. Definitions

(1) **Judgment Independence or Independence of Mind:** A standard of conduct during discussions and decision-making in the Board, which is required for each member, regardless of whether the member is an "independent non-executive member" in accordance with Article 9 of Law 4706 / 2020.

(2) **Independence:** The freedom from conditions that prevent a Board member from performing his or her duties in an impartial manner.

(3) **Objectivity:** The impartial attitude and mindset that allows the Board member to perform his/her work as he/she believes it to be and not to compromise toward its quality.

(4) **Individual suitability:** The extent to which a person is considered to have, as a Board member, sufficient knowledge, skills, experience, independence of judgment, good moral character and good repute to perform his or her duties as a Board member of the Company in accordance with the suitability criteria set out in the Policy.

(5) **Board of Directors or BoD:** The Board of Directors of the Company.

- (6) **Company:** The company with the name "Athens Water Supply and Sewerage Company SA " and the distinctive title "EYDAP".
- (7) **Substantive amendments:** Amendments that introduce deviations or that significantly change the content of the policy, in particular with regard to the general principles and criteria applied.
- (8) **Eligibility policy - Policy of Candidacy or Policy:** The set of principles and criteria applied at a minimum in the selection, replacement and renewal of Board members as part of the evaluation of individual and collective suitability.
- (9) **Collective suitability:** The fitness of the Board members as a whole.

C. Individual suitability

- (1) The individual suitability of the members of the Board shall be assessed in particular on the basis of the criteria set out below. These criteria are general and apply to all Board members, irrespective of their status as executive, non-executive or independent non-executive directors.
- (2) Specific obstacles, obligations and conditions (such as, but not limited to, those set out in Article 3 para. 4-6 of Law no. 4706/2020, article 44 par. 1 of Law no. 4449/2017 and article 11 par. 9 of the Articles of Association) apply irrespective of the eligibility criteria.

(3) Adequacy of knowledge and skills

- i. The Board members have the knowledge, skills and experience required to perform their duties in view of the role, the position and the competencies required by the Company for the position.
- ii. Experience covers both practical and professional experience and theoretical knowledge acquired:
- iii. Theoretical knowledge: the level and type of education (field of study and specialization) shall be taken into account, in particular as it relates to the Company's activities or other relevant areas.
- iv. Practical experience: covers the previous positions and type of employment held by the member, taking into account the length of time spent in the position, the size of the entity in which the member worked, the scale and complexity of the business activity, the responsibilities exercised, the number of his subordinates, the nature of the entity's activities, etc.
- v. The following may be considered as part of the assessment of adequate knowledge and skills:
 - the role and duties of the post and the competences required,
 - the knowledge and skills acquired through education and training,

- the practical and professional experience which previously acquired, and
 - the knowledge and skills acquired and demonstrated by the professional conduct and development of the Board member.
- vi. The assessment shall not be limited to the member's academic qualifications or proof of a specific length of service. Instead, a thorough analysis of the member's experience and training is carried out.
- vii. Executive members of the Board may have acquired sufficient practical and professional experience, either by holding a position of responsibility or by carrying out a business activity, over a sufficient period of time.
- viii. Board members are expected to know and clearly understand the Company's corporate governance arrangements, their respective roles and responsibilities, both as Board and committee members, and potential conflicts of interest. Candidate Board members are also expected to be familiar with the Company's culture, values and general strategy, among other things, if possible, before assuming the position.

(4) Guarantees of morality and reputation

- i. Board members must be distinguished for their good reputation and ethics, which is defined primarily by honesty and integrity. ii. A Board member shall be presumed to be of good repute, honesty and integrity, unless there are objective and demonstrable reasons to the contrary.
- iii. In order to assess the reputation, honesty and integrity of a prospective or current Board member, the Company shall conduct an investigation and, subject to the legislation on the protection of personal data, request information and relevant supporting documents regarding any final administrative and judicial decisions against him/her, in particular for violations and offences related to his/her membership of the Board of Directors or non-compliance with the provisions of the legislation of the Securities and Exchange Commission or financial crimes in general.
- iv. Without prejudice to the provisions of Article 3 par. 4-5 of Law No. 4706/2020, such assessment may take into account in particular the relevance of the offence or measure to the role of the member, the seriousness of the offence or measure, the general circumstances, including mitigating factors, the role of the person involved, the sentence imposed, the stage reached in the legal proceedings and any rehabilitation measures put in place, the time that has elapsed and the conduct of the person since the breach or offence.
- v. The Company may also take into account in the assessment any decision to disqualify the candidate Board member from acting as a Board member issued by any competent authority.

(5) Conflict of interest

- i. The Company has a Conflict of Interest Policy, in accordance with par. 3, item (g) of article 14 of Law No. 4706/2020, which includes, at least for the members of the Board of Directors, procedures for the prevention of conflicts of interest, measures for the disclosure and management of conflicts of interest and any cases and conditions in which, exceptionally, it would be acceptable for a member of the Board of Directors to have conflicting interests, provided that such member's interests are significantly limited or subject to appropriate management.
- ii. All actual and potential conflicts of interest at Board level are adequately disclosed, discussed, documented, decided and appropriately managed (i.e. the necessary measures are taken to limit conflicts of interest).

(6) Independence of judgement

- i. Each Board member shall be ensured to act with independence of judgement. The absence of a conflict of interest does not mean that the member acts with independent judgement.
- ii. All Board members participate actively in the meetings and take their own reason, objective and independent decisions in the performance of their duties.
- iii. When assessing independence of judgement, consideration is given to whether all Board members have the necessary behavioural skills, including but not limited to:
 - the courage, conviction and fortitude to engage in meaningful evaluation and challenge the proposals or opinions of other Board members,
 - the ability to ask reasonable questions of the members of the Board, and in particular its executive members, and to criticise them and
 - the ability to resist the phenomenon of groupthink.

(7) Independent non-executive members

Taking into account the key role played by independent, within the meaning of Law no. 4706/2020, non-executive members of the Board of Directors in enhancing the efficiency of its operation, the Company seeks and promotes the participation of as many independent non-executive members as possible in its Board of Directors.

(8) Allocation of sufficient time

- i. All Board members have the time required to carry out their duties based on their job description, role and tasks.
- ii. In determining the adequacy of the time, account shall be taken of the status and responsibilities assigned to the Board member, the number of positions held as a member of other Boards and the resulting responsibilities held by that member at the same time, as well as other professional or personal commitments and circumstances. The number of positions that a member of the Company's Board of Directors may hold at the same time may not exceed a total of five (5) Boards of Directors, of which participation in the Boards of Directors of listed companies may not exceed three (3).
- iii. The Company shall inform each prospective Board member of the expected time required to devote to his/her duties and to the meetings of the Board and any other committees in which he/she participates as a member.

D. Collective suitability

(1) The Board must be appropriate for the exercise of its responsibilities and its composition must contribute to the effective management of the Company and balanced decision-making.

(2) Board members must collectively be able to make appropriate decisions taking into account the business model, risk appetite, strategy and the markets in which the Company operates, be able to effectively monitor and critique the decisions of senior management and have the necessary skills to present their views.

(3) All areas of knowledge required for the Company's business activities must be covered by the Board collectively with sufficient experience and knowledge among its members. Therefore, the Company seeks to have a sufficient number of members with knowledge in each area to enable discussion of the decisions to be taken.

(4) The composition of the Board should reflect the knowledge, skills and experience required for the exercise of its responsibilities. This includes the requirement for the Board as a whole to have an adequate understanding of the areas for which the members are collectively responsible, and to have the necessary skills to exercise effective management and oversight of the Company, including with respect to:

- its business activity and the main risks associated with it,
- the utility sector

- the water supply and water resources management, sanitation and wastewater management,
- strategic planning and innovation,,
- auditing or accounting and financial management,
- financial and non-financial reporting,
- the sciences of all engineering disciplines,
- compliance with the legislative and regulatory framework,
- understanding of corporate governance issues,
- the ability to identify and manage risks,
- the impact of digital technology and information systems on its activity, and
- the adequacy of gender representation.

E. Criteria of multiformity

(1) The Company promotes multiformity in its Board, as it believes that:

- by bringing together a wide range of qualifications and skills in the selection of Board members, a diversity of views and experience is ensured, which can contribute to good decision-making,
- through multiformity it is possible to achieve maximum team effectiveness and efficiency, foster innovation and enable Board members to cooperate with each other and with managers.

(2) Therefore, the Company believes that multiformity on the Board is a necessary element to maintain and enhance its competitiveness and in this context promotes an appropriate level of diversity on the Board and a diverse group of members..

(3) Specifically with regard to adequate gender representation, the Company seeks to ensure that gender representation is at least twenty-five percent (25%) of the total number of Board members. To this end, the Remuneration and Nomination Committee shall take this criterion into account when making proposals for the appointment of Board members.

(4) More generally, the Company seeks to ensure equal treatment and equal opportunities between genders, and this aspect extends beyond the selection of Board members to the provision of training to Board members. It also ensures that there is no exclusion on the grounds of sex, race, colour, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation.

F. Evaluation of the appropriateness criteria

- (1) The Company has the primary responsibility for identifying gaps in terms of collective fitness. To this end, the Board conducts an annual self-assessment and periodically commissions this assessment to third-party qualified consultants.
- (2) The assessment of individual and collective suitability is taken into account when selecting, renewing the term of office and replacing a Board member.
- (3) The Remuneration and Candidacy Committee monitors the suitability of Board members on an ongoing basis, in particular to identify, in the light of any relevant new event, cases where its re-evaluation is deemed necessary.
- (4) Reassessment of suitability shall be carried out, in particular, in the following cases:

 - i. in the case of a significant impact on the reputation of a Board member, and
 - ii. in any case of an event that may significantly affect the suitability of a Board member, including in cases where members do not comply with the Company's Conflict of Interest Policy.
- (5) The Remuneration and Candidacy Committee shall record the results of the assessment of suitability, in particular any shortcomings identified between the intended and actual individual and collective suitability, and the necessary corrective measures.
- (6) In the event that the Remuneration and Candidacy Committee determines that one or more of the eligibility criteria, based on the Policy, cease to apply to a member of the Board of Directors for reasons that this person could not have prevented even by means of extreme diligence, the Board of Directors of the Company shall immediately remove and replace him/her within three (3) months.

G. Succession of Board members

- (1) Succession planning for Board members is an ongoing and dynamic process, the primary objective of which is to ensure the smooth succession of the Company's Board members and continuity in management decision-making by maintaining normal conditions in the Company.
- (2) The Board ensures for the Company an appropriate succession plan for the smooth continuity of the management of its affairs and decision-making after planned or unforeseen departures of Board members, especially executive and committee members, with the assistance of the Remuneration and Candidacy Committee.

H. Implementation, attendance and modification of the Policy

- (1) The Remuneration and Nomination Committee, the Internal Audit unit, as well as organizational units with a relevant subject (such as Human Resources and/or Regulatory Compliance and/or Legal Services), may provide effective input in the formulation and monitoring of the implementation of the Policy.
- (2) The Board, with the assistance of the Remuneration and Candidacy Committee, monitors the implementation and effectiveness of the Policy and undertakes a periodic evaluation of the Policy at regular intervals or when significant events or changes occur. In order to monitor the implementation of the Policy, any findings of the Internal Audit Department and the other competent Directorates of the Company are taken into account. The provisions of Law 4389/2016 are also taken into account in the implementation of the Policy.
- (3) The Company shall amend the Policy and review its design and implementation where appropriate, taking into account, inter alia, the recommendations of the Remuneration and Candidacy Committee, as well as the Internal Audit unit and any other external bodies. In implementing the Policy, the provisions of Law 4389/2016 are also taken into account.

I. Policy Approval

- (1) The Policy is approved by the Board of Directors, in accordance with article 3 par. 1 of the Law. 4706/2020 and is submitted for final approval to the General Assembly, according to article 3 par. 3.3 of the law. 4706/2020.
- (2) Amendments to the Policy are approved by the Board of Directors and, if they are material, are submitted for approval to the General Assembly in accordance with article 3 par. 3 of Law 4706/2020.
- (3) Documentation regarding the adoption of the Policy and any amendments to it shall be kept in a file, which may be electronic.
- (4) The Policy in force at any given time is posted, updated, on the Company's website.