

FIT AND PROPER POLICY FOR DIRECTORS

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1. INTRODUCTION

This Fit and Proper Policy (hereinafter referred to as the “Policy”) is prepared for the compliance of the company named “TRADING AND IMPORTS MOTOR VEHICLES, MOTORCYCLES AND MARINE ENGINES” (hereinafter referred to as “Motodynamics” or the “Company”) with the applicable legal provisions concerning the corporate governance of public limited companies and governing the content of the Board of Directors' Fit and Proper Policy (hereinafter referred to as the “Board of Directors” or “BoD”), in accordance with Article 3 of Law 4706/2020 and Circular 60/2020 of the Hellenic Capital Market Commission.

2. PURPOSE

The Policy defines the set of principles and criteria for assessing individual and collective fitness and propriety of Directors. The said principles and criteria shall apply to Directors with respect to their selection, replacement and renewal of their term of office.

The purpose of the Policy is to ensure adequate and quality staffing of the Board of Directors as regards the implementation of the Company’s overall strategy and its long-term business objectives, based on corporate interest, transparency, competitiveness, efficiency and the application of best corporate governance practices.

3. SCOPE

The Fit and Proper Policy applies to the Directors of Motodynamics in accordance with article 3 of Law 4706/2020.

This Policy shall also apply to third parties to whom powers of representation of the Company are delegated under the specific measure set out in paragraph 5 of Article 3 of Law 4706/2020 and pursuant to paragraph 6.1.vi. below.

4. INSTITUTIONAL AND REGULATORY FRAMEWORK

The Policy complies with the provisions of Law 4706/2020 and the regulatory decisions and circulars issued pursuant to that law, is in accordance with the provisions of the Company's Internal Rules of Procedure and is also in line in its entirety with the Corporate Governance Code adopted by the Company.

5. PRINCIPLES RELATING TO THE SELECTION AND REPLACEMENT OF DIRECTORS OR THE RENEWAL OF THEIR TERM OF OFFICE

In accordance with article 19 of the Company's Articles of Association, the Board of Directors may consist of a minimum of three (3) Directors up to a maximum of fifteen (15) Directors. The number of Directors may be adjusted according to the operational needs of the BoD.

The Company’s Nominations and Corporate Governance Committee shall formulate the selection criteria for the implementation of this Policy, so that the qualifications, knowledge, and experience of the candidates complement those of the other existing Directors. Candidate directors shall be selected according to their education level and social standing and shall be among the successful executives of

the business, academic and broader social sphere, with domestic and international experience in their fields of activity and expertise.

Candidate directors should also be distinguished for their integrity, honesty, good judgment, dedication and willingness to deal with the issues discussed in the BoD with objectivity and impartiality.

In selecting, renewing the term of and replacing a director, consideration shall be given to the assessment of the individual and collective suitability for the Board, as well as to the candidate's understanding of the Company's culture, values and overall strategy.

6. CRITERIA FOR ASSESSING THE FITNESS AND PROPRIETY OF DIRECTORS

6.1. Individual Fitness and Propriety

Individual fitness and propriety shall mean the degree to which an individual is deemed to have sufficient knowledge, skills, experience, independence of judgement, moral standards and good reputation to perform his/her duties as a director of the Company.

The individual fitness and propriety of Directors shall be assessed on the basis of the criteria set out below. These criteria shall apply, subject to any more specific provisions, to all Directors, irrespective of their capacity as executive, non-executive or independent non-executive Directors.

i. Adequacy of knowledge and skills

Directors shall have the necessary knowledge, skills and experience to perform their duties with a view to taking up their position. The requisite competence shall cover both practical and professional experience and theoretical knowledge acquired.

In this context, the assessment of adequate knowledge and skills shall address the following:

- a) the role and duties of the directorship and the required competences;
- b) the knowledge and skills acquired through education (field of study and specialisation) and training;
- c) previous practical and professional experience; and
- d) knowledge and skills acquired and demonstrated in the professional conduct and development of the Director during his/her career.

The assessment of the above shall be based on academic training and on practical and professional experience, through an analysis of the nature, scale and complexity of the activity, as well as on the duties and the degree and/or extent of responsibility exercised by the director in that context. An important element for the selection of a candidate director is for such director to have expertise in one or more business areas in which the Company operates. Particularly as regards non-executive members, the intention shall be for each candidate to be recognized as an expert in his/her field of expertise or to hold or have successfully assumed leading positions (preferably also as a CEO) in other companies.

ii. Character requirements and reputation

The character, honesty, integrity and good reputation of Directors are criteria of the utmost importance to the Company.

In order to assess the reputation, honesty and integrity of a candidate or existing Director, the Company shall conduct an investigation and, without prejudice to personal data protection legislation, request

information and relevant supporting documents for any final administrative decisions and court judgements against the Director, in particular for violations and offences related to his/her capacity as a Director or any non-compliance with the legal provisions of the Hellenic Capital Market Commission or to financial crimes in general.

Such assessment shall in particular take into account the relevance of the offence or measure to the Director's role, the seriousness of the offence or measure, the general circumstances, including mitigating factors, the role of the individual involved, the penalty imposed, the stage reached in the judicial proceedings and any restoration measures taken.

In the assessment, the Company shall also take into account any decision to exclude the prospective director from acting as a director issued by any competent authority.

In conclusion, a Director shall be presumed to have a good reputation, honesty and integrity if during the audit to be carried out by the Company in the framework of Law 4706/2020 and the Corporate Governance Code adopted by the Company, no evidence emerges that objectively disputes the above.

In any case, the Nominations and Corporate Governance Committee shall retain the discretion to determine, based on all relevant circumstances, whether the candidate director meets the criteria of good repute acceptable to the Company.

iii. Conflict of Interest

A conflict of interest shall mean an actual or potential situation that arises when a Director has private interests that could unduly affect the exercise of his/her official obligations and duties. Each director under assessment shall be required to declare any actual and/or potential conflicts of interest, and in the event that he/she does not comply with his/her obligation to avoid conflicts of interest, he/she shall not be deemed to meet the fitness and propriety criteria.

Directors should, therefore, be fully aware of the Company's Conflict of Interest Policy. This policy includes conflict of interest prevention procedures for Directors, as well as measures for the disclosure and management of such conflicts.

iv. Independence of judgement

Independence of judgement shall mean the absence of any circumstances that prevent the Director from performing his/her duties in an impartial manner and the culture that allows the Director to carry out his/her work as he/she sees fit without accepting any compromises as to the quality of such work.

“Independence of mind” or “independence of judgement” is a standard of conduct during discussions and decision-making within the Board and shall be required from each Director.

v. Sufficient time allocation

All Directors shall have the time required to perform their duties in accordance with the role and duties assigned to them for the operation of the BoD.

In order to determine adequacy of time, the following shall be taken into account: the capacity and responsibilities assigned to the Director, the number of his/her positions as a director in other companies, the size and complexity of such other companies and the resulting concurrent (executive or

non-executive) capacities of that Director, as well as other professional or other activities and duties, the delimitation of which is set out in the Corporate Governance Code adopted and implemented by Motodynamics. Specifically, the Company adopts as a good practice the provision of the current Greek Corporate Governance Code of the Hellenic Corporate Governance Council (HCGC) that limits BoD participation of independent non-executive directors to five (5) Boards of Directors of listed companies.

The Company shall inform each candidate director of the expected time he/she shall be required to devote to his/her duties and to scheduled Board meetings and any other committees in which he/she shall participate.

The expected time shall include not only a minimum number of six (6) annual meetings (in addition to committees) and at least one annual meeting outside the company's headquarters, but also the necessary time for receiving information about the Company's affairs (including discussions with its executives and shareholders) and, naturally, for extraordinary meetings where necessary.

vi. Electability - Absence of liability for loss-making transactions

Each candidate director or candidate to whom powers of management and representation of the Company are to be delegated shall submit a solemn declaration, addressed to the Company, that no non-appealable court judgement has been handed down, recognising his/her liability for loss-making transactions between the Company or a non-listed company under Law 4548/2018 and related parties within one (1) year prior to election or delegation of the powers respectively.

A prerequisite for the election or retention of the capacity of Director as well as for the delegation of powers of management and representation of the Company to third persons, or for the maintenance of the relevant delegation in force, is that the above final court judgement must not have been issued pursuant to paragraphs 4 and 5 of Article 3 of Law 4706/2020.

6.2. Collective Fitness and Propriety

Collective fitness and propriety shall mean the suitability of all Directors to effectively exercise their leading role in corporate matters, directing corporate affairs for the benefit of the Company, its shareholders and all stakeholders and ensuring that management implements the corporate strategy.

Directors should collectively handle with sufficient knowledge and experience all the areas of expertise covered by the Company's business activities as part of the implementation of its business strategy, in order to enable informed and documented decision-making.

The BoD should collectively possess the necessary skills related to the Company's business activity and key associated risks, strategic planning, financial reporting, compliance with the legislative and regulatory framework, understanding Corporate Governance issues, the ability to identify and manage risks, the impact of technology on the Company's business, and the fulfilment of obligations regarding diversity criteria.

In addition to the diversity criteria listed below, an effort shall also be made to have at least one person represented on the BoD with:

- a) a significant academic and/or research career; and/or
- b) past experience or experience in positions of responsibility in governmental, public organizations or non-governmental organizations active in Greece and internationally.

Diversity Criteria

The Company implements a diversity policy which ensures that a broad set of qualifications and skills in the selection of directors results in a variety of views and experiences, with the aim of making sound decisions.

This Policy includes the main diversity criteria applied by the Company in the selection of directors; such criteria represent essential priorities (diversity objectives) for the Company, including as a minimum:

- a) adequate representation per gender (at least twenty-five percent (25%) of all Directors);
- b) ensuring equal treatment and opportunities for all potential directors, irrespective of gender, race, colour, national, ethnic or social origin, religion or belief, property, birth, marital status, disability, age or sexual orientation.

7. MONITORING AND FOLLOW-UP

This Policy is in accordance with the Company's general corporate governance framework, corporate culture and risk appetite.

This Policy shall be reviewed at least once (1) a year by the Nominations and Corporate Governance Committee under the responsibility of the BoD. Pursuant to Articles 152 of Law 4548/2018 and 18 of Law 4706/2020, the description of the Diversity Policy applicable to Directors, the objectives of the Policy its implementation manner and results are included in the Company's Annual Corporate Governance Statement.

Compliance with the Policy may also be reviewed more frequently, insofar as issues requiring its reassessment arise, such as:

- a) when doubts arise about the individual fitness and propriety of Directors or the suitability of the BoD's composition;
- b) in the event of a significant effect on the reputation of a Director;
- c) in any event that may significantly affect the fitness and propriety of a Director, including in cases where Directors fail to comply with the Company's Conflict of Interest Policy or do not have the expected time to perform their duties.

Regarding the replacement of Directors, in accordance with par. 6 of article 3 of Law 4706/2020, in the event it is found that one or more of the eligibility criteria are no longer fulfilled pursuant to this Policy by a Director for reasons that such Director could not have prevented even by demonstrating extreme diligence, the Company's competent statutory body shall immediately terminate and replace such Director within three (3) months.

8. APPROVAL AND PUBLICITY

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

Any amendments to the Policy shall be approved by the BoD and, in case they are material, i.e. they introduce derogations or significantly change the Policy's content in particular as regards the general principles and criteria applied, they shall be submitted to the General Meeting for approval in accordance with par. 3 of article 3 of Law 4706/2020.



The Policy and any material amendment thereto shall be effective upon its approval by the General Meeting.

An updated version of the current Fit and Proper Policy shall be posted on the Company's website (<https://www.motodynamics.gr/>).