



KARELIA TOBACCO COMPANY, INC.

ELIGIBILITY POLICY

OF THE MEMBERS OF THE BOARD OF DIRECTORS

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I. ABOUT THE EIGIBILITY POLICY

The eligibility policy of the members of the Board of Directors of the Societe Anonyme with the name "KARELIA TOBACCO COMPANY, INC.." (hereinafter referred to as the "Company"), with General Commercial Registry no. 15082945000 and its registered office in Kalamata (Athinon Street - Asprochoma), includes all the principles and criteria for the selection, replacement and renewal of the term of the members of the Board of Directors, in the context of the continuous evaluation of his or her individual and collective suitability. It is governed by the principle of transparency and proportionality and aims to ensure the quality staffing of the Company's Board of Directors.

All candidates and existing members of the Board of Directors are subject to the eligibility policy. Where this policy refers to a member or members, it applies both to candidates and to the existing members.

II. PRINCIPLES OF SELECTION - REPLACEMENT - RENEWAL OF THE TERM OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors has enough members to be able to exercise its responsibilities effectively, considering the Company's size and internal organisation. It consists of a minimum of five (5) and a maximum of seven (7) members, who are elected for a five-year term, as defined in the Company's Articles of Association.

The Board of Directors has an appropriate composition, considering the undertaking of risk, the nature, the scale and the complexity of the Company's activities, its strategy, and its business model. The Company strives to staff the Board of Directors with persons of morality and reputation, who have the skills and experience required, based on their role and duties, as well as sufficient time to carry them out.

During the selection, replacement, and renewal of the members' terms of office, the Company evaluates their individual and collective appropriateness, and monitors it on an ongoing basis, identifying cases in which its re-evaluation is deemed to be necessary.

The Board of Directors implements a succession plan, with the aim of its smooth operation and the smooth continuation in the management of the Company's affairs. The Nominations Committee, in line with its rules of operation, identifies and proposes persons suitable to be nominated for membership of the Board of Directors. The final decision as to their aptness is made by the Board of Directors.

The members gain knowledge of the corporate culture, values, the Company strategy, and this policy. They recognise that the assumption of their duties entails their understanding and acceptance thereof. In addition, they undertake the obligation to promptly notify the competent corporate bodies of events that might affect the eligibility criteria of this policy.

III. ELIGIBILITY EVALUATION CRITERIA

A. Individual Eligibility

Individual eligibility is judged on the degree in which a person is considered to have the knowledge, skills, experience, independence of judgement, moral guarantees, and good reputation for carrying out his or her duties as a member of the Board of Directors. The decision regarding eligibility considers the balance of the above qualifications, which is assessed mainly on the basis of the following criteria:

i . Adequacy of knowledge and skills

The members are required to have the appropriate knowledge, skills, and experience. Theoretical knowledge can be assessed based on the level and type of education and training, considering, particularly but not restrictively, studies, specialisation, knowledge in sectors related to the Company's activities and the wider business environment.

The members must know and understand the corporate governance regulations, are constantly informed about changes in the regulatory and institutional framework and are updated about their role, responsibilities, and competences, about the Group's structure, and the Company's regulations and policies.

Their experience can be evaluated, by various means, including but not limited to, their practical and professional experience and their knowledge

and skills that they have acquired from their education, training, their exercise of managerial duties and the member's general activity. Among others, the skills that are considered are the ability to communicate, collaborate and easily adapt to the corporate culture.

The executive members have proven and substantial practical and professional experience in the subject in which the Company is active, which has been acquired by exercising managerial duties in one or more positions of responsibility for a sufficient period of time.

Assessment is not limited to qualifications, training or proof of former service and skills. A thorough analysis of the experience and training is undertaken, as knowledge and skills depend on a total of factors that are considered as a whole. The existence of the above qualifications can be ascertained, including but not limited to, through resumés, degrees and diplomas, certifications, solemn statements, and letters of recommendation.

ii. Guarantees of morality and reputation

The members are distinguished for their good reputation and morals, which are determined by their honesty, professionalism, and their integrity in the exercise of their duties, their reliability, and their sense of duty. A member is presumed to have a good reputation, honesty, and integrity, unless there are objective and proven reasons to suggest otherwise.

For the evaluation of the above, the Company may request relevant information and details, without prejudice to the legislation on the protection of personal data. All the above information is weighted according to the principle of proportionality.

iii. Independence of judgement

It is important for Board Members to ensure that they act with independent judgement. The members participate actively in the meetings of the Board of

Directors and take their own correct, objective, and independent resolutions and decisions in the implementation of their duties.

During the evaluation of the decision's independence, the behavioural skills of the members such as, but not limited to, courage, conviction, and vigour to make a substantial evaluation and challenge the proposals or opinions of other members, the ability to ask members reasonable questions and exercise criticism, as well as the ability to resist the phenomenon of groupthink are considered.

iv. Allocation of sufficient time

The members allocate the time required to carry out their duties based on their position, status, role, responsibilities and whether they participate in committees or not. The Company informs each candidate member about the role, responsibilities, duties, and frequency of the meetings of the Board of Directors and the committees, so that he or she may determine the expected amount of time that he or she will need to devote to his or her duties.

Indicatively and not restrictively for the evaluation of the ability to allocate sufficient time, the status and responsibilities of the member, the number of positions he or she holds on other Boards of Directors and the obligations arising from them, the other positions and offices, his or her professional obligations, commitments, and circumstances in general, as well as experience, as defined in this policy, may be considered.

B. Collective Eligibility

The Board of Directors, as a unit, is suitable for the exercise of its responsibilities when its composition contributes to the effective management of the Company, to the balanced taking of decisions, and, by extension, to the pursuit of the corporate purpose. A key condition for achieving the above is the possibility of communication, understanding, cooperation and harmonious and meaningful dialogue between the members in an atmosphere of trust and mutual respect.

The composition of the Board of Directors reflects the knowledge, skills, qualifications, and experience required to implement the corporate objectives.

The collective suitability of the Board of Directors is also achieved through adequate representation by gender, as provided in the relevant legislation.

IV. DIVERSITY CRITERIA

The Company implements a diversity policy, with the purpose of promoting differentiation between the members of the Board of Directors and the creation of a multi-collective team of members.

Through the concentration of a wide range of qualifications, the diversity, and the optimum osmosis of views within the Board of Directors is ensured, in order for it to take correct and reasoned decisions. Exclusion due to discrimination on the grounds of race, colour, national or social origin, nationality, gender, sexual orientation, marital status, religion or beliefs, disability, medical conditions, age, or other elements of discrimination are not permitted.

V. APPLICATION - MONITORING - EVALUATION OF THE POLICY

The application, monitoring and evaluation of the effectiveness of the eligibility policy is the responsibility of the Board of Directors. This task is assisted by the Nominations Committee, based on the procedure provided in the procedure's rules of operation, as well as by other departments of the Company whenever this is deemed appropriate.

VI. APPROVAL - AMENDMENT - COMMENCEMENT OF THE POLICY'S VALIDITY

The eligibility policy is approved by the Board of Directors of the Company and is submitted for approval to the General Meeting.

Amendments to the policy are approved by the Board of Directors following a recommendation of the Nominations Committee and in particular the provisions of its rules of operation, in order

for it to be harmonised with the general corporate governance framework that the Company applies and in line with the corporate culture.

If the amendments are substantial, they are submitted to the General Meeting for approval. Substantial amendments are meant to be those that introduce derogations, or those that significantly alter the policy's content, especially in relation to general principles and criteria.

The current updated eligibility policy is posted on the Company's website, www.karelia.gr.

The eligibility policy, as well as any substantial amendment is valid from its approval by the General Meeting of shareholders. The other amendments are valid from their approval by the Board of Directors.