



LION CAPITAL S.A.

DIVERSITY POLICY ON THE SELECTION PROCESS OF THE MANAGEMENT BODY OF LION CAPITAL S.A.

This *Diversity Policy on the Selection Process of the Management Body of Lion Capital S.A.* (hereinafter referred to as the "Policy") has been adopted in accordance with the legal obligations applicable to the Company in its capacity as an issuer of financial instruments admitted to trading on a regulated market and shall apply to the process for the selection of directors (viz. members of the Board of Directors/administrators) of Lion Capital S.A.

Lion Capital S.A. acknowledges that diversity within the management body contributes to enhancing the decision-making process, improving the understanding of risks and opportunities, and strengthening corporate governance. Through the implementation of this Policy, the Company aims to:

- ensure the collective suitability of the management body through complementary competencies;
- promote an inclusive and equitable environment at management body level;
- prevent an excessive concentration of decision-making power resulting from excessive homogeneity;
- ensure compliance with the applicable national and European legal and regulatory framework.

Lion Capital S.A. promotes diversity within its management body. To this end, without prejudice to shareholders' right to appoint members of the Board of Directors, when recruiting members of the Board of Directors, the Nomination and Remuneration Committee shall take into account at least the following diversity-related aspects set out in Article 9 of ASF Regulation no. 1/2019:

- a) educational background and practical and professional experience;
- b) gender, age and geographical provenance;
- c) quantitative targets and measures to ensure a balanced gender representation within the management body;
- d) employee representation within the significant entity, where applicable;
- e) equal opportunities and equal treatment in the promotion of staff to management positions, irrespective of gender;
- f) the prevention of discrimination based on gender, race, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, disability, age or sexual orientation.

The Company seeks to achieve gender balance within its governing bodies. Accordingly, in compliance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations concerning the improvement of the gender balance among directors of companies listed on a regulated market, Lion Capital S.A. shall meet one of the following objectives:

- a) members of the underrepresented sex shall hold at least **40% of non-executive director positions**;
- b) members of the underrepresented sex shall hold at least **33% of all director positions**, including both executive and non-executive directors.

The number of non-executive director positions deemed necessary to attain the objective referred to under letter a) shall be the number closest to the proportion of 40% but not exceeding 49%. The number of all director positions deemed necessary to attain the objective referred to under letter b) above shall be the number closest to the proportion of 33% but not exceeding 49%. Such numbers of positions shall be determined in accordance with the Annex to Law No. 24/2017 on issuers of financial instruments and market operations.

The Nomination and Remuneration Committee or, where appropriate, the Board of Directors shall take diversity criteria into account in the process of identifying, selecting and proposing candidates for positions within the management body.

The selection process for candidates for the position of director (member of the Board of Directors / administrator) shall be conducted on the basis of objective, pre-defined and non-discriminatory criteria, in accordance with the provisions of Law no. 24/2017 and ASF Regulation no. 1/2019. Such criteria shall be established prior to the commencement of the selection process.

The selection process shall comprise at least the following stages:

- identifying the profile required for the vacant position, taking into account the existing composition of the management body and the identified diversity needs;
- assessing the individual suitability of candidates (reputation, knowledge, skills, experience and time commitment);
- assessing the candidate's contribution to the collective suitability of the management body, including in light of the diversity objectives;
- assessing the existence of any potential conflicts of interest;
- formulating recommendations/proposals for candidates by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall develop and periodically update a competency profile for the members of the Board of Directors, which shall explicitly include diversity requirements. Recruitment notices for positions within the governing bodies shall be drafted in gender-neutral language and shall emphasise the Company's commitment to diversity.

The candidate selection criteria shall be objective, transparent and competence-based, while also contributing to the achievement of the diversity objectives. In the nomination and selection process, the objective is to identify candidates who, through their professional profile, can contribute to a balanced and effective management body, capable of meeting the specific corporate governance requirements, on the basis of neutral, clear and non-discriminatory criteria. In this context, the following aspects shall be taken into consideration:

- the role and responsibilities of the position concerned, and the capabilities required for its performance;
- knowledge and skills acquired through education, practice and professional training;
- practical and professional experience gained in previously held positions;
- knowledge and skills acquired and demonstrated through professional conduct as a member of a management body or in the exercise of other functions, where applicable.

The assessment of knowledge, skills and experience shall, in accordance with the principle of proportionality, take into account theoretical knowledge as well as practical and professional experience relating to:

- financial markets;
- the regulatory framework applicable to the area of activity of the regulated entity;
- strategic planning and understanding of an entity's business strategy or business plan/business model, and its implementation;
- risk management (identification, assessment, monitoring, control and mitigation of the main types of risks to which the regulated entity is exposed);
- the application of accounting principles or financial auditing;
- assessing the effectiveness of an entity's policies and procedures, ensuring effective governance, and adequate oversight and control systems;
- interpreting the financial statements of entities, identifying the main issues arising from the analysis of such statements, establishing internal control mechanisms and adopting appropriate measures.

With regard to the selection of candidates for appointment or election as directors, where candidates are equally qualified in terms of suitability, competence and professional performance, priority shall be given to the candidate of the underrepresented sex, unless, in exceptional cases, reasons of greater legal weight, such as the application of other diversity policies, based on an objective assessment taking into account the specific situation of a candidate of the other sex and founded on non-discriminatory criteria, tilt the balance in favour of that candidate.

Where the process for the selection of candidates for appointment or election to the position of director is carried out through a vote of the shareholders, Lion Capital S.A. shall appropriately inform shareholders, prior to the vote, of the diversity policy and objectives through the materials made available in advance of the general meetings of shareholders.

The Nomination and Remuneration Committee shall have the following specific responsibilities in implementing this Policy:

- review and assess the balance of skills, knowledge and experience within the management body and identify diversity needs;
- develop the profile for vacant management positions, taking into account the diversity objectives;

- monitor the degree of achievement of the quantitative diversity objectives and make recommendations for improvement;
- report to the Board of Directors on the status of the implementation of the Policy.

The Nomination and Remuneration Committee shall conduct an annual assessment of the collective suitability of the management body, including from a diversity perspective. Such assessment shall examine, among other things:

- the degree of achievement of the quantitative gender diversity objectives;
- age and professional experience diversity within the management body;
- the effectiveness of the diversity measures implemented.

Lion Capital S.A. shall provide the Financial Supervisory Authority annually, by July 15, with information on gender representation within the management body, distinguishing between executive and non-executive directors, as well as information on the measures adopted to ensure compliance with the requirement that members of the underrepresented sex hold at least 40% of non-executive director positions and, where applicable, with the requirement that members of the underrepresented sex hold at least 33% of all director positions, including both executive and non-executive directors. The Company shall also publish such information in an appropriate and easily accessible manner on its website. Where the Company has not achieved either of the above objectives, the information submitted to the Financial Supervisory Authority shall include the reasons for not attaining the objectives and a comprehensive description of the measures that the Company has already taken or intends to take in order to attain them.

The Company shall include in the Corporate Governance Statement, published as part of the annual report of the Board of Directors, the following diversity-related information:

- a description of the diversity policy applicable to the management body;
- the diversity objectives established and the measures adopted to achieve them;
- the extent to which the diversity objectives were achieved during the reporting period;
- the explanations for any deviations from the established objectives.

Where the Company has not achieved certain established objectives, it shall include in the Corporate Governance Statement a clear explanation to that effect, in accordance with the "comply or explain" principle.

The information referred to in the preceding paragraphs shall, where appropriate, be included in the Company's corporate governance statement prepared in accordance with the applicable accounting regulations issued pursuant to Article 4 (1) and (3) of Accounting Law no. 82/1991, as republished and subsequently amended and supplemented. The information submitted to the Financial Supervisory Authority and published on the Company's website shall include the information contained in the corporate governance statement, duly updated, as appropriate.

This Policy shall be reviewed whenever relevant legislative changes occur or whenever changes are made to the management body or the Company's strategy. The review shall be carried out by the Nomination and Remuneration Committee, and the updated version shall be approved by the Board of Directors.

This Policy shall enter into force on the date of its approval by the Board of Directors of Lion Capital S.A. and shall be published on the Company's website in accordance with the transparency requirements applicable to issuers admitted to trading on a regulated market.