



**Corporate Governance Policy**

**November 2019**



**Corporate  
Governance Policy**

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# 1 Corporate Governance

The governing authorities of the Bank ensure compliance with the Articles of Association and the provisions of the current legal and supervisory framework (e.g. Law 4548/2018, Law 3016/2002, BoG Act 2577/2006) as at each time applicable, and comprise:

- The General Assembly of Shareholders,
- The Board of Directors (BoD),
- The BoD Committees,
- Senior Executive Management,
- The Management Committees,
- The Supervisory Entities reporting to BoD and/or Senior Executive Management,
- The External Auditors.

## 1.1 General Assembly of Shareholders

Pursuant to art. 116 of Law 4548/2018 (hereinafter the “Company Law”), the General Assembly of Shareholders constitutes the supreme governing authority of the Bank and, as such, elects the BoD. The Articles of Association of the Bank expressly set-out the matters on which the General Meeting of Shareholders is exclusively competent to resolve, to the exclusion of other governing authorities.

## 1.2 Board of Directors

The BoD (hereinafter the “BoD”) is responsible for administering the Bank’s affairs and managing its assets in the ordinary course of business, represent it before and out of courts, and take all (necessary or otherwise advisable) actions to promote the Bank’s interests according to its Articles of Association. BoD can exercise any authority not otherwise vested in the General Assembly of Shareholders. The members of the BoD possess adequate independence and integrity, as well as the necessary qualifications to ensure prudent and diligent management of the Bank.

The BoD constitutes the BoD committees, appoints its members, assigns authority and assesses their performance, in each case according to the current legal and supervisory framework and good international practices / professional standards.

Except where prohibited by current legal and supervisory framework, the BoD may delegate, in whole or in part, its authority to one or more persons BoD members or not, provided the powers so delegated are clearly identified. Likewise, the BoD can also delegate part of its authority to specially constituted committees, which are vested powers, usually of an advisory nature, in relation to technical or specialized matters (i.e. Audit Committee, Remuneration Committee, etc.).

### 1.2.1 Duties and responsibilities of the BoD – Functioning of the BoD

The main duties and responsibilities of the BoD:



**Corporate Governance**

- Design, approve a regulatory compliance policy and bear the responsibility to ensure that the Bank operates in compliance with its Articles of Association, current legal and supervisory framework and good international practices / professional standards.
- Approve the following governance documents as well as subsequent amendments:
  - Corporate Governance Code
  - Internal Operating Regulation
  - Organization Chart
  - GDPR policy
- Ensure that non-executive members are adequately informed and engaged in BoD oversight and decision making, when the Chairman of the BoD is the chief executive officer (CEO) or has executive duties and responsibilities, based on the current legal and supervisory framework (e.g. BoG Act 2577/2006 IV. ICS MANAGEMENT BODIES, A. Powers of the Board of Directors and Senior Management) and the good international practices.
- Provide effective oversight of Senior Executive Management, within the meaning of Article 3 (1) (9) of Law 4261/2014.
- Monitor and periodically assess the effectiveness of the Bank's governance arrangements and take appropriate steps to address any deficiencies.
- Approve the various continuity and security plans and policies as well as amendments thereof and monitor their implementation:
  - Business Continuity Plan (BCP)
  - Disaster Recovery Plan (DRP)
  - IT Security Policy
- Ensure the existence of documented procedures that ensure the management of emergency situations that jeopardize the smooth operation of the credit institution, as well as disaster recovery and business continuity as per BoG 2577/2006 provisions (IV. ICS MANAGEMENT BODIES, A. Powers of the Board of Directors and Senior Management, point 2.8).
- Approve (by its non-executive members), upon recommendation of the (independent) Remuneration Committee, the remuneration policy of the Bank, including the remuneration of the executive members of the BoD and of the identified persons/employee members of the Bank.
- Promote the adoption by all Bank employees of ethical standards (e.g. diligence, efficiency, responsibility, personal conduct, dignity, integrity, non-disclosure of confidential information, etc.), as the same are, inter alia, set-out in the Code of Banking Ethics of the Hellenic Bank Association.
- The BoD is assisted in its operations by the Corporate Governance Section of Legal/Corporate Governance Department. The Section's duties and responsibilities regarding the BoD are described in the Internal Operating Charter (refer to section 3.4.5.2).
- Oversee the process of disclosure and communications.

**Strategic Planning**

- Guide, approve and monitor the implementation of Bank's:
  - Strategy,



- Business Plan,
- Budget.

### **Corporate Banking**

- Approve various policies and documents as well as amendments thereof and monitor their implementation:
  - Corporate Credit Policy (Shipping and Non-Shipping)
  - NPE Policy
  - Cards Policy
- Exercise final authority on the approval of certain loan and credit facilities, such as, for example, credit applications where the existing facilities when aggregated exceed the equal of 15% of the Bank's net worth.

### **Investment Banking**

- Approve various policies and documents as well as amendments thereof and monitor their implementation:
  - Private Banking Policy
  - Trade Finance Policy
- Approve the following policies pertinent to MiFID II framework as well as their amendments thereof:
  - Client Categorization Policy
  - Product Governance and Target Market Identification Policy
  - Product Categorization Policy
  - Financial Instruments Distribution Policy.

### **Accounting / Finance**

- Ensure the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with the current legal and supervisory framework, as well as the good international practices / professional standards.

### **Risk Management**

- Approve the following plans, frameworks and documents regarding Risk Management as well as their amendments thereof:
  - Recovery Plan
  - Contingency Funding Plan
  - Risk and Capital Strategy
  - Risk Models and Validation Framework
  - ICAAP and ILAAP Framework
  - Risk Management Policies (Credit, Market, Operational, Liquidity, Impairment as well as Capital Management and Regulatory Reporting)
- Review on a regular basis the main risks and the ICS effectiveness in managing these risks.



- Ensure the effectiveness and independence of the Risk Management Department by reporting functionally directly to the BoD.

#### **Regulatory Compliance/AML**

- Approve the following plans, frameworks and documents regarding Compliance as well as their amendments thereof:
  - Code of Ethics and Conduct
  - Regulatory Framework Policy
  - Compliance and AML Policy
  - Conflicts of Interest Policy
  - Anti-Fraud and Anti-Bribery Policy
  - Whistleblowing and Customer Complaints Policy
  - Outsourcing Policy
- Ensure the effectiveness and independence of the Compliance/AML Department by reporting functionally directly to the BoD, through the Audit Committee.

#### **Internal Audit**

- Approve the Internal Audit Manual regarding Internal Audit as well as its amendments thereof.
- Maintain a sound Internal Control System (ICS) to safeguard the Bank's assets and ensure that significant risks are identified and adequately managed.
- Ensure the effectiveness and independence of the Internal Audit Department by reporting functionally directly to the BoD, through the Audit Committee.

### **1.2.2 Size and composition of the BoD**

According to the Articles of Association of the Bank, as currently in force, the Board consists of five (5) to nine (9) Directors, whether or not shareholders of the Bank, who are elected by the General Assembly of Shareholders for a term of five (5) years and, failing the election of a new BoD, their term continues up-to a maximum of six (6) years. Their term commences on the date of their election and ends on the earlier between the date on which their term expires and that on which they are recalled. BoD Directors can be recalled or replaced by a General Assembly decision, whether or not for cause. When a person ceases to be a Board Director for reasons other than an expiration of his term, the remaining Board Directors, so long as they are at least three (3), may elect a replacement for a term equal to the (remaining) term of the substituted Director; otherwise they may continue to manage and represent the Bank without his/her replacement.

The members of the Board of Directors are either executive or non-executive, and if they are non-executive, they may be elected as independent (i.e. not related, whether financially or stock wise, to the Bank) or non-independent. According to the currently applicable regulatory framework, at least one non-executive member of the Board of Directors must be an independent member (i.e. not related, whether financially or stock wise, to the Bank).



The current composition of the BoD of the Bank is as follows:

**BoD composition**

Executive Directors	Non – Executive Directors	Non – Executive Independent Directors	Executive
2	4	3	

### 1.2.3 Responsibilities and conduct of BoD members

Directors must be properly qualified in terms of education, experience and personal attributes, such as high ethical standards. In this regard, it is of the utmost importance that independent, non-executive directors have a solid background in the banking industry, as well as a firm grasp of current developments and best practices in accounting, auditing and internal control.

Under article 102 of the Company Law, each director is liable to the Bank for any damage caused to the Bank in the course of his duties, unless he/ she proves that he/ she acted as prudent businessman/woman would act under similar circumstances or his/ her actions are based on a lawful resolution of the general meeting of shareholders or a reasonable business decision which was taken in good faith, on the basis of adequate information and in the Bank’s best interests.

According to the provisions of the Articles of Association of the Bank, a director who is unjustifiably absent from Board meetings for more than three consecutive months is deemed to have tendered his resignation, effective as of the date the Board takes cognizance thereof and records its decision in the meeting minutes.

Board Directors are required to maintain total and strict confidentiality in regard to non-public information, of which they have been apprised in the course of their duties. Said obligation continues to apply to retired Directors as well.

Board Directors are also prohibited, under the penalty of compensation for damages, from pursuing interests that are in conflict or in competition with those of the Bank, as the latter are set out in its Articles of Association.

### 1.2.4 Scheduling BoD Meetings

According to the Articles of Association, the BoD convenes once, at least, per month at the Bank’s premises, or, provided that all directors are present or represented thereat and none objects to such meeting, in any other place, whether in Greece or abroad.

The BoD convenes, whether physically in any one place or by teleconferencing, at the Chairman’s invitation, upon prior notice to its members of no less than three (3) business days, on condition that such invitation sets out the agenda and all necessary documentation has been forwarded to the members no less than two business days ahead of the meeting; otherwise, the BoD cannot validly convene, except where all directors are present or represented thereat and none objects to such meeting. The invitation is in Greek, unless addressed to a non-Greek speaking director, whereupon it is in English, too.

The reports and material usually prepared for BoD deliberations are the following:

- Financial information: Bank's financial statements, performance results and comparison of actual vs. budget figures etc.
- Risk information: reports from the Asset and Liability Management Committee (ALCO), risk reports (credit, market, and operational risks), large credit exposures, Credit Committee's reports and credit risk relating information.
- Compliance/AML information: including but not limited to the annual report of Compliance on the adequacy/performance of Compliance and AML.
- Audit-related information: reports from the Internal Audit Committee, including, but not limited to, the annual review of the Internal Audit Department on the adequacy of internal controls, etc.

Notwithstanding the foregoing, BoD meetings can also be convened at the request of any two (2) Directors, as more specifically described in the Articles of Association of the Bank.

### 1.2.5 BoD resolutions

Each BoD member has one (1) vote, except when representing an absent director, whereupon he can cast two (2) votes. A would-be absent director may give a proxy by letter, telefax or other electronic means, which can remain in force for more than one meeting. Each director can represent, in any given meeting, no more than one (1) other director and, in no case, can proxies be issued to non-directors.

The Board is deemed to have the requisite quorum to deliberate on the agenda, provided that directors representing 50% of the entire BoD composition plus one (1) are physically present or represented thereat, but in no case, can the directors physically present be less than three (3). Where the quorum rules produce a fraction, such fraction is to be omitted.

BoD resolutions are adopted by a majority of 3/5 of the directors present and represented thereat, except for the following cases:

- (a) if four (4) directors are present or represented thereat, three (3), at least, of the four (4) directors must vote in favour of the item of the agenda;
- (b) three (3) directors are present, all of them must vote in favour of the item of the agenda;
- (c) in cases of approval of loans and credits secured by a second-ranking mortgage, subordinated loans, junior debt, mezzanine finance, investments in transferable securities, of the Annual Investment Program and the annual Bank's Budget, the unanimous voting of all directors, present or represented thereat, is required.

The BoD Chairman has no casting vote and in matters of personal interest, decisions are taken by secret ballot.

The proceedings and resolutions of the Board, together with the names of and (where requested) a short summary of the opinions expressed by attending directors are recorded in Greek in a purposely kept book, while an English translation thereof is filed in a separate book. The minutes of BoD meetings are signed by all directors present and, if any should object thereto, his refusal is recorded in the minutes.



Copies and excerpts of the minutes of BoD meetings are validated by the Chairman or, another BoD member or a third, especially authorized by the BoD, person.

The BoD Secretary, reporting directly to the Chairman, ensures the effective functioning of the Board, namely the drawing-up of the minutes, the distribution of supporting material to BoD members, the circulation of meeting invitations, etc. In addition, he/ she is responsible for the proper communication and information flow between the Board and the various Bank departments, for keeping track of the Bank's shareholders and liaising with them, organizing the General Assembly of Shareholders and ensuring that shareholders are adequately informed and facilitated in the exercise of their shareholder rights.

### **1.2.6 Role and required responsibilities of the Chairman and Vice Chairman**

The BoD elects, by secret ballot, amongst its members the Chairman and the Vice Chairman of the Board, as well as the CEO and Deputy CEO (Senior Executive Management). This election takes place on the first meeting of the BoD immediately following its election, unless there is an election of new members by the BoD in replacement of a deceased or a resigned BoD member or a BoD member who lost his relevant capacity due to any other reason or an internal BoD reshuffle whereupon the offices of each director need to be confirmed. The BoD's Vice Chairman substitutes the Chairman in case of absence or incapacity and, in similar circumstances; The shareholder holding the largest number of the Bank's shares with voting rights substitutes temporarily the Vice-Chairman .

### **1.2.7 Board and executives evaluation**

The Board needs to periodically present to the General Assembly of Shareholders the assessment or self-assessment of member performance as well as that of managers. This assessment should be performed by an external evaluator. The assessment is performed for the Board as a Body but also for each of its Committees.

This procedure needs to include, amongst others, criteria set by the Board, degree of engagement and participation of board to meetings (frequency of participation, preparation readiness, and participation to committees). Assessment of executives shall be done in the same way, based on criteria set by the board, also including the ability of the executive to execute the orders and follow the instructions of the board.

### **1.2.8 Staffing board with independent candidates**

The Bank ensures that Board composition also includes three (3) , independent parties, i.e. individuals who are neither involved in the daily company operations nor shareholders. These individuals have the professional qualifications and time to be actively involved with their assigned activities and position and they actively participate in Board meetings. In addition, these individuals are motivated to submit in Board meetings their recommendations for the Bank's strategy and finally play a key role in formulating Board members' remunerations policy.

## 1.3 Remuneration

In accordance with provisions of legal and supervisory framework (e.g. Law 4548/2018, Law 4514/2018, BoG Executive Committee Act 158/2019) and the Articles of Association of the Bank, BoD members' remuneration (executive and non-executive members) is flat and fixed and depends on the time and effort contributed by each one in successfully fulfilling their assigned tasks and responsibilities, as members of the BoD or the Bank's Committees. It is not linked to goals achievement and is not incentive driven.

BoD members' remuneration comprises of an annual fee, payable monthly, which is on par with the Bank's size and operations.

Remuneration paid to BoD which is not determined by Law or the Bank's Articles of Association must be approved by the Shareholders General Meeting subject to the provisions of the Remuneration Policy.

None of the members (under their capacity as board members) receive, under any circumstances, any kind of variable remuneration, thus eliminating any possible conflict of interest that may arise whilst performing their duties and responsibilities.

The Directors' remuneration or compensation may be court reduced to an appropriate measure if it is deemed exorbitant and holders of Bank shares representing 1/10 of its share capital have opposed the remuneration decision of the General Assembly.

BoD members' remuneration is reviewed annually.

## 1.4 BoD Committees

The Supervisory Committees reporting to the BoD are the following:

- Audit Committee
- Remuneration Committee

A detailed analysis of the above Committees as per their purpose, authority, membership, operation and responsibilities, is developed in the Annex 1.

## 1.5 Committees reporting to Senior Executive Management

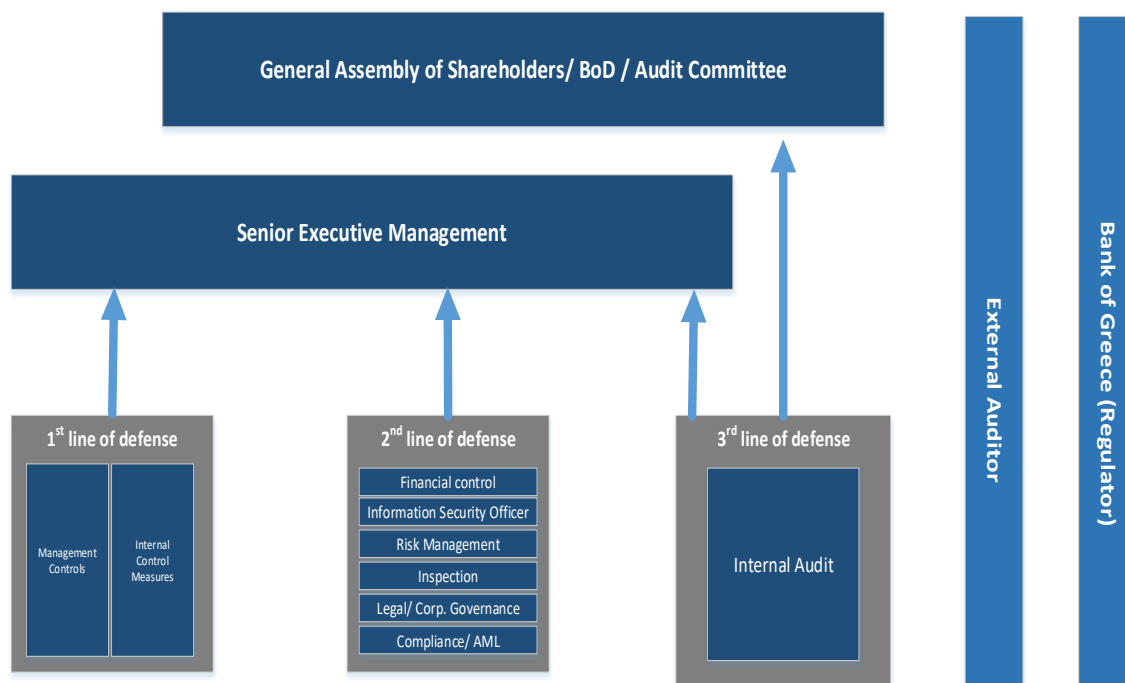
The Management Committees reporting to Senior Executive Management are the following:

- Credit Committee
- ANPLM Committee
- Asset & Liability Committee (ALCO)
- IT Steering Committee
- BTAC - Special Subcommittee

A detailed analysis of the above Committees as per their purpose, authority, membership, operation and responsibilities, is developed in the Bank’s Internal Operating Regulation.

## 1.6 Three Lines of Defense Model

The Bank applies the Three Lines of Defense (hereinafter “3LOD”) Model, as depicted below, according to the Institute of Internal Auditors (IIA). In the 3LOD Model, management controls and internal control measures form the first line of defense in risk management, the various risk control and compliance oversight functions established by management are the second line of defense, and independent assurance is the third line of defense. Each of these three “lines” plays a distinct role within the Bank’s wider governance framework.



At the 1<sup>st</sup> line of defense, managers own and manage risks. Management (including front, middle and back office operations) is responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis. Also, management identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives.

The 2<sup>nd</sup> line of defense includes various risk management and compliance functions established by Management to help build and/ or monitor the first line-of-defense controls. Management establishes these functions to ensure the first line of defense is properly designed, in place, and operating as intended.

The 3<sup>rd</sup> line of defense comprises the Internal Audit Department which provides the governing body and Senior Executive Management with comprehensive assurance based on the highest level of independence and objectivity (which is not available in the 2<sup>nd</sup> line of defense) within the Bank. Internal audit provides assurance on the effectiveness of governance, risk management,

and internal controls, including the manner in which the 1<sup>st</sup> and 2<sup>nd</sup> lines of defense achieve risk management and control objectives.

External auditors and Bank of Greece as regulator, reside outside the Bank's structure, but they have an important role in the Bank's overall governance and control structure. Regulators set requirements intended to strengthen the controls in an organization and on other occasions perform an independent and objective function to assess the whole or some part of the first, second, or third line of defense with regard to those requirements. When coordinated effectively, external auditors and regulators are considered as additional lines of defense, providing assurance to the Bank's shareholders, including the BoD and Senior Executive Management.

## 1.7 Internal Control System (ICS)

The Internal Control System (ICS), which includes Internal Audit, Risk Management and Compliance functions in compliance with the relevant regulatory framework, consists of auditing mechanisms and control procedures relating to all the activities of the Bank, aiming at the latter's effective and secure operation.


The Internal Control System of the Bank ensures the:

- Coverage of all the Bank's activities and transactions with adequate documentation and appropriate level of detail with respect to the control areas and procedures.
- Consistent implementation of the business strategy with an effective utilization of the available resources.
- Identification and management of all risks undertaken.
- Completeness and the credibility of the data and information required for the accurate and timely determination of the financial situation of the Bank and the generation of reliable financial statements.
- Support by an integrated Management Information System (MIS) and a communication system with clearly defined hierarchical lines.
- Compliance with the current regulatory framework, the internal regulations and the Code of Ethics and Conduct.
- Provision of procedures for assessment of ICS adequacy.
- Prevention and avoidance of erroneous actions that could jeopardize the reputation and interests of the Bank, the Shareholders and those transacting with the Bank.
- Effective operation of the IT systems in order to support the business strategy and the secure circulation, processing and storage of critical business information.

### 1.7.1 Risk Management

The Risk Management function is generally responsible for identifying, measuring, monitoring, controlling, mitigating risks and reporting on risk exposures. It includes the Risk Management Department (RMD) as well as the BoD regarding its role in risk management.

A detailed analysis of RMD, as per the purpose, authority, membership, operation and responsibilities, is developed in the Bank's Internal Operating Regulation.

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The RMD is controlled by the Internal Audit Department in terms of adequacy and efficiency of the risk management procedure and reports directly to BoD.

The Bank maintains documented policy and procedures regarding the undertaking, monitoring and management of risks, as well as the determination of maximum acceptable exposure limits for each type of risk. The risks are reviewed at least on an annual basis.

## 1.7.2 Compliance

The Bank's compliance function includes the Compliance/ AML Department, the Legal & Corporate Governance Department, the Audit Committee as well as the BoD regarding its respective role.

Compliance/ AML Department mission is to ensure that all the management bodies, the functional structures and all staff are constantly informed about any developments in the regulatory framework, with the aim of avoiding the risk of the Bank incurring legal or regulatory sanctions, financial losses or negative effects in terms of reputation, resulting from non-compliance.

A detailed analysis of Compliance/ AML Department, as per the purpose, authority, membership, operation and responsibilities, is developed in the Bank's Internal Operating Regulation.

The Legal & Corporate Governance Department mission is to protect the Bank and its operations from any legal risks and ensure compliance with the current legal framework.

A detailed analysis of Legal & Corporate Governance Department, as per the purpose, authority, membership, operation and responsibilities, is developed in the Bank's Internal Operating Regulation.

A detailed analysis of Audit Committee, as per the purpose, authority, membership, operation and responsibilities, is developed in the current document (Annex 1).

## 1.7.3 Internal Audit

The Bank's internal audit function includes the Internal Audit Department, the Audit Committee as well as the BoD regarding its respective role.

The Internal Audit Department is responsible for the internal audit of the Bank and reports functionally to the Board of Directors, through the Audit Committee as well as administratively (i.e. for day to day operations) to the Chief Executive Officer or/ and Deputy Chief Executive Officer. It performs audits regarding the adequacy and the effectiveness of the Internal Control System of the Bank, in accordance with the stipulations of the regulatory framework and investigates thoroughly cases on which there is evidence that the interests of the Bank are harmed. It monitors the implementation and the effectiveness of the corrective actions recorded in the reports of all sorts of audits (by internal auditors, external auditors, Regulatory Authorities, Tax Authorities etc.).

A detailed analysis of Internal Audit Department, as per the purpose, authority, membership, operation and responsibilities, is developed in the Bank's Internal Operating Regulation.



A detailed analysis of Audit Committee, as per the purpose, authority, membership, operation and responsibilities, is developed in the current document (Annex 1).

## 1.8 Relations with shareholders

The Board of Directors shall foster communication between the Bank and its Shareholders. Such communication shall not entail the provision of information that might place specific Shareholders in an advantageous position vis-à-vis other Shareholders.

The Bank shall encourage the participation of Shareholders in the General Assembly of Shareholders and adopt appropriate measures to facilitate the exercise of shareholder powers, as provided for by the law and the Articles of Association.

The Bank ensures the protection of minority rights conferred on the Shareholders by the applicable legislation.

## 1.9 Publicly available information

Any material information about the Bank, required by the Regulatory framework, including indicatively financial information, related parties transactions, and other information as at each time directed by the regulatory environment, is publicly available.

## 1.10 IT Systems


The Bank, within the framework of its operational strategy and aiming at the effective use, safe handling, processing and storage of critical business information, has adopted an IT Strategy. The IT strategy should, on the one hand, implement the operational objectives set by the Management and, on the other hand, develop the necessary technological infrastructure for the future needs of the Bank. For that purpose the Bank has created the IT Steering Committee, a detailed analysis of which is developed in the Bank's Internal Operating Regulation.

The Bank, within the framework of its operational strategy and aiming at the effective use, safe handling, processing and storage of critical business information, has adopted an IT Strategy. The IT strategy should, on the one hand, implement the operational objectives set by the Management and, on the other hand, develop the necessary technological infrastructure for the future needs of the Bank. For that purpose the Bank has created the IT Steering Committee. The scope of the IT Steering Committee is also to address information and cyber security risks that may jeopardize business operations. As such, it elaborates on information security issues and refers to the BoD for final decisions. A detailed and approved charter of the IT Steering Committee is included in the Bank's Internal Operating Regulation.

## 1.11 Complaints handling

The Bank has developed and maintains a Customer Complaints Policy.

Organization & Methods Department is responsible for the customer complaints management received either directly from customers or from Supervisory Authorities, in both cases through the

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Compliance Section (Compliance/ AML Department). Legal Section (Legal / Corporate Governance Department) assists in drafting of responses.

Duties and responsibilities of all Departments/ Sections involved in the complaints handling process are described in the Internal Operating Charter.

## **1.12 Whistleblowing**

The Bank has established and maintains a whistleblowing process developed by the Compliance/ AML Department, as described in the relevant Whistleblowing Policy. All employees are encouraged to play their part in improving overall effectiveness and success of the Bank and in strengthening the Bank's system of integrity. The whistleblowing process allows employees to communicate concerns or complaints confidentially and anonymously if they wish and ensures that they are not subject to any threats or penalties in case their legitimate concerns are proved incorrect.

## 2 Annex 1

### 2.1 Audit Committee

#### 2.1.1 Purpose

The purpose of the Committee is to assist the Board of Directors in fulfilling the oversight responsibilities relating to the following:

- Financial Reporting process.
- External Audit process.
- Effectiveness of the Internal Control System.
- Performance of the Internal Audit Department.
- Compliance with legal and regulatory requirements.
- Adherence to the Code of Ethics and Conduct, Bank's Strategy and internal policies.

More specifically, the Committee's purpose is to:

- Review the integrity of the financial statements of the Bank.
- Make recommendations to the Board of Directors, regarding the appointment and remuneration of the external auditors in order to be approved/appointed by the General Assembly of Shareholders and confirm their independence, objectivity and effectiveness as well as its period of rotation according to the regulatory framework in force.
- Pre-approve of all auditing and non-auditing services provided to the organization by the independent auditor.
- Ensure that the IA Department possesses the relevant competences and expertise to enable it to assess the effectiveness of the Bank's Internal Control System and risk management framework, placing special focus on risks that may affect the Bank. Review annually the independence, objectivity, adequacy and operational effectiveness of the IA Department.
- Ensure that the Compliance/ AML Department possesses the relevant competences and expertise to enable it to monitor the effectiveness and efficiency of the Bank's compliance system and also review on a regular basis the developments in the legal and regulatory framework that affect Bank's operations.
- Monitor and assess annually the internal controls and the regulatory and compliance environment.





- Have the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from external legal, accounting or other advisors, as necessary, to perform its duties and responsibilities.
- As part of its responsibilities, the Committee will maintain open communication with Management, internal auditor, MLRO and external auditor in separate executive sessions.

In addition, the Committee will meet with the independent auditor and Management to discuss the annual audited financial statements (and quarterly financial statements - if applicable) including the Company’s disclosures in Management’s Discussion & Analysis of Financial Condition and Results of Operations.

### **2.1.2 Authority**


In fulfilling its purposes, the Committee shall:

- Investigate any activity that falls within its purview.
- Obtain any information it requires from Management, directors, officers or employees.
- Facilitate communication between the external and internal auditors and the Board of Directors.
- Submit an annual activity report on its work/activity to the Board of Directors and Shareholders at the A.G.M.

### **2.1.3 Membership & Attendance**

With regards to Committee membership, and meeting attendance the following shall apply:

<b>Audit Committee Membership &amp; Attendance</b>	
Size	The Audit Committee members shall consist of three independent and non-executive directors.
Nomination and appointment	The Committee will be appointed by the Board of Directors, which will elect its Chairman among its members. All the members of the Committee should be financially literate. The Chairman of the Committee or at least one of its members should have accounting and auditing background; at the same time, the Committee must collectively possess the skills and experience required to carry out its tasks, being also conversant with the Bank’s broader operating environment.
Chairmanship	<p>The Board shall appoint the Committee’s Chairman (the “Chair”).</p> <p>The Board or the Committee may also appoint a Deputy Chairman (“Deputy- Chair”) to deputize for the Chair when needed.</p> <p>In the absence of the Committee’s Chair and the Deputy-Chair (if appointed) the Members present shall elect one Member to chair the meeting.</p>


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<b>Composition</b>	<p>The Audit Committee is composed from the following members:</p> <ul style="list-style-type: none"> <li>— D. Potamitis, Chairman</li> <li>— M. Kavussanos</li> <li>— T. Constantaras</li> </ul>
<b>Term of office</b>	<p>Appointments to the Committee shall be for a period of five years, which may be renewed without limit. The Committee Members should not, during their term of office, hold posts, have capacities, or carry out transactions that could be deemed incompatible with the Committee’s mission.</p>
<b>Resignation and re-election of Members</b>	<p>In case a member wishes to resign, he / she shall inform the Chair of the Committee in writing. If the Chair wishes to resign, he / she shall inform in writing the Deputy Chair.</p> <p>The Members of the Committee can be re-elected, provided that the provisions set out previously with regards to “Term of Office” are adhered to.</p>
<b>Attendance</b>	<p>Invitations to attend the meetings may be extended to the Management, to executive officers or to any other officers or experts whose presence may be deemed necessary.</p>

## 2.1.4 Committee Operations

With regards to the operation of the Committee the following shall apply:

Audit Committee Operations	
<b>Meeting frequency</b>	<p>The Committee shall hold ordinary meetings at least quarterly and as often as deemed necessary and extraordinary meetings when circumstances require it.</p>
<b>Notice of meetings</b>	<p>The meetings will be scheduled by the Chairman who is also responsible to provide the members with a written agenda of the meeting.</p>
<b>Conduct of meetings</b>	<p>Members may participate in a Committee meeting remotely, using any communication facility that permits all meeting participants to communicate adequately with each other (e.g. telephone, video conference, Skype, etc.).</p> <p>A Member participating in a Committee meeting by any such means is deemed to be present at that meeting.</p>

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Meeting minutes	The Committee shall appoint a secretary to keep the minutes of the meeting and also maintain a pending items/progress list. The Committee shall discuss all significant issues in special meetings with Senior Executive Management.
Quorum	The Audit Committee shall have a quorum and convene validly when two members are present.
Decision making	The Committee shall act on the affirmative vote of the majority of the members (two out of three) or by unanimous consent.
Reporting to the Board	The Chairman shall notify the Board of Directors in writing of the results of its audits and shall also inform the Board of the Committee's work/activity during the Board's meetings.

## 2.1.5 Duties & Responsibilities

The primary duties and responsibilities of the Committee include the following:

Audit Committee Duties & Responsibilities	
Financial Statements Reporting	<ul style="list-style-type: none"> <li>— The Committee shall assess the drafting process on the annual financial statements of the Bank and any other financial disclosures as well as the related competences of the auditors.</li> <li>— The Committee shall review the financial statements before submission to the Board of Directors for approval and express its opinion thereon, paying particular attention to the following: <ul style="list-style-type: none"> <li>- Critical accounting policies and practices and any changes to them.</li> <li>- Compliance with current accounting standards.</li> <li>- The estimate of management regarding the formation of provisions, deferred tax assets and other matters that are highly judgmental and may impact the financial statements.</li> <li>- Review any unusual transactions that affect the financial statements and disclosures.</li> <li>- Any significant adjustments proposed by the external auditor.</li> <li>- Letters of representation requested by the auditor before they are signed by the Management of the Bank.</li> <li>- Compliance with legal and regulatory requirements according to article 44 of L.4449/2017.</li> </ul> </li> </ul>



	<ul style="list-style-type: none"><li>- The Committee shall monitor the effectiveness of the Bank’s internal control system, quality and risk management processes and where applicable, its internal audit, regarding the financial reporting of the audited entity without breaking its independence.</li><li>— The Committee shall monitor the statutory audit of the annual financial statements in particular its performance, taking into account any findings by the competent authority pursuant to Article 26 (6) of Regulation (EU) No. 537/2014.</li><li>— The Committee should monitor the results of the statutory audit carried out via the additional report from the external / statutory auditors. The additional report to the Audit Committee should be submitted no later than the date of submission of the audit report, according to the article 11 of Regulation (EU) No. 537/2014.</li><li>— The Committee should approve all auditing and non-auditing services in compliance with related regulations, Law 4449/2017, Regulation (EU) 537/2014 and Law 3148/2003 (article 12).</li><li>— The Committee shall have oversight of the compliance issues of the Bank especially relating to AML, MIFID, conflicts of interest, antitrust, clients/consumer protection, transparency etc.</li></ul>
External Audit	<p>The Committee shall:</p> <ul style="list-style-type: none"><li>— Consider and make recommendations in accordance with Article 16 of Regulation (EU) 537/2014 and the provision of Greek Law 4449/2017 and in general the legal and regulatory framework in force, to the Board of Directors on the appointment, re-appointment, removal, replacement, terms of engagement and fees of the External Auditor to be submitted for approval by the A.G.M. of Shareholders.</li><li>— Assess annually the External Auditors’ effectiveness, independence and objectivity and provide for the rotation at appropriate intervals of both the External Auditor and key staff at the auditing firm.</li></ul> <p>Specifically, the duration of the engagement audit contracts should not exceed five years and in any case there shall be a rotation of the statutory audit firm after a maximum of five years.</p> <p>The statutory auditor or the key partner shall not engage themselves in providing services again in the statutory audit of the Bank before two consecutive years have elapsed.</p> <li>— Pre-approve the External Auditors fees in accordance with the legal regulatory framework, in force, with respect to the regular statutory audit of the annual financial statements and submit the relevant proposal to the Board of Directors.</li> <p>Approve the provision of permitted auditing services besides the relevant audit and also of non-audit services by the External Auditors to the Bank pursuant to both Law 3148/2003 and Law 4449/2017 and Regulation (EU) 537/2014.</p> <p>Review the independence of the statutory auditors or audit firm in accordance</p>



	<p>with Articles 21, 22, 23, 26 &amp; 27 or Greek Law 4449/2017 and Regulation (EU) 537/2014 and in particular the appropriateness of the provision of non-audit services to the Bank in accordance with Article 5 of that Regulation.</p> <ul style="list-style-type: none"><li>— Be updated on the annual plan of the external auditors before the audit commencement.</li><li>— Meet with External Auditors at least once a year without Management being present to discuss any issues or problems related to the audit and settle any disagreements between the Management and the External Auditors.</li><li>— Require the auditor’s report in writing (in a Management letter) regarding any problems or weaknesses identified in the internal control system during the audit of the Bank’s annual financial statements.</li><li>— Submit proposals to the Board of Directors regarding the specific areas where additional controls by the external auditors may be required.</li><li>— Inform the Board of Directors how the statutory audit contributed to the integrity of financial reporting and the Committee’s role in that process.</li><li>— Hold timely discussions with the independent auditors regarding the following:<ul style="list-style-type: none"><li>- All critical accounting policies and practices.</li><li>- All alternative treatments of financial information with generally accepted accounting principles, related to material items that have been discussed with Management and the treatment preferred by the auditor.</li><li>- Other material written communication between the auditors and Management and any unadjusted differences.</li></ul></li><li>— Recommend to the Board of Directors the appointment of appropriate certified auditors with the necessary expertise, who shall not be the regular / statutory auditors, to carry out at least every three years, the assessment of the adequacy of the Bank’s Internal Control System. The related report of the later auditor shall be submitted to the Bank of Greece within six months from the expiry period of three (3) years period.</li><li>— Set policies consistent with governing law and regulations for hiring key personnel of the independent auditor.</li><li>— Periodically review the adequacy and effectiveness of the Bank’s disclosure controls and procedures and the company’s internal control over financial reporting including any significant deficiencies and significant changes in internal controls.</li></ul>
Internal Audit	<p>The Audit Committee shall:</p> <ul style="list-style-type: none"><li>— Review and approve the Internal Audit Charter submitted to the Board of Directors to ensure that Internal Audit Department is adequately resourced and</li></ul>



	<p>has appropriate standing and independence within the Bank.</p> <ul style="list-style-type: none"> <li>— Recommend to the Board of Directors the appointment and dismissal of the CAE, evaluate at least once a year his/her performance and approve his/her compensation following consultation with the Remuneration Committee and the Human Resources Department.</li> <li>— Review with CAE the Internal Audit budget resources and organization structure of Internal Audit Department in line with European laws and regulations, as well as, the international standards of the Institute of Internal Auditors.</li> <li>— Ensure that the Internal Audit Department has the appropriate skills and capacity to audit and evaluate the effectiveness of the Internal Control framework with special emphasis on the areas of risk and capital management as well as financial control.</li> <li>— Review and approve the Internal Audit Department's annual audit plan (taking into consideration the CEO/Deputy CEO's proposals, if any) and also the purpose and extent of any special audit work or any deviation from the approved annual Internal Audit Plan.</li> <li>— Receive key audit findings, at least on a quarterly basis, and ensure that Senior Executive Management is taking necessary corrective actions in a timely manner to address control weakness and non-compliance with policies, laws and regulations and inform the Board accordingly.</li> <li>— Authorize the CAE to inform the CEO/Deputy CEO regarding any actions required by management to mitigate significant risks.</li> <li>— Monitor, through Internal Audit Department, the procedures followed within the framework of the Bank's anti-fraud policy and promptly report any significant cases to the Board of Directors. Also Internal audit reports on compliance with BoG Act 42/30.5.14 and 47/9.2.15, as in force, regarding staff adequacy, independence and suitability of process of Arrears and NPLs Management (ANPLM) Section, which are submitted to the Bank of Greece.</li> <li>— Receive key findings regarding compliance of the Bank's ANPLM Section with applicable laws and regulations.</li> <li>— Meet with CAE at least once a year without Management being present to discuss issues falling under his sphere of responsibility and any problems that may have been identified by the Internal Audit Department.</li> </ul>
<p>Internal Control risks, management and regulatory compliance</p>	<p>The Committee shall:</p> <ul style="list-style-type: none"> <li>— Review the effectiveness of the Bank's risk management, regulatory compliance and financial reporting and report to the Board of Directors accordingly.</li> <li>— Review and approve the annual report of the Internal Audit Department on the adequacy of the Internal Control System and inform the Board of Directors</li> </ul>



	<p>accordingly.</p> <ul style="list-style-type: none"><li>— Review the reports prepared by the Compliance/ AML Department, including the annual AML/CTF report, required by regulatory authorities, MiFID, conflict of interest, antitrust clients/consumer protection/transparency regulations.</li><li>— The annual report regarding AML/CFT according to the provisions of Banking Credit Committee of the Bank of Greece Decision 281/5/17.3.2009 and the Bank of Greece Governor’s Act 2577/9.3.2006, as in force, shall be assessed and approved by the Audit Committee and subsequently submitted to the Board of Directors for ratification. The report should be submitted to the Bank of Greece accompanied by the results of the annual assessment of the adequacy and effectiveness of the AML/CTF policy prepared by the Audit Committee.</li><li>— Assess the effectiveness of the compliance policy and AML/CFT policy, once developed or updated, and taking into account relevant endorsement by the Bank’s Senior Executive Management escalates them to the BoD for approval.</li><li>— Assess the Compliance activity plan on an annual basis and review on a regular basis the implementation of the plan.</li><li>— Monitor the implementation and effectiveness of the Bank’s Code of Ethics and Conduct.</li><li>— Monitor the implementation of the conflict of interest policy for the top executives of the Bank.</li><li>— Review any conflict of interest in transactions of the Bank with related parties and report to the Board of Directors accordingly.</li><li>— Submit proposal to the Board of Directors regarding the selection and the remuneration of the external auditing firm selected for the assessment of adequacy of the Bank’s Internal Control System on at least a three-year basis.</li><li>— Submit recommendations to the Board of Directors on how to address any weaknesses identified and follow up on the implementation of measures taken.</li><li>— Evaluate the Head of Compliance/ AML on an annual basis and inform the Board of Directors accordingly.</li><li>— Review any significant findings arising from regulatory authorities’ audits.</li></ul>
Whistleblowing	<p>The Committee shall monitor and review the procedures on the basis of which complaints, whether signed or anonymous, may be filed about possible misconduct in the collection, processing and disclosure of financial information including complaints regarding accounting, internal financial controls or auditing matters, as well as significant complaints made in accordance with the Bank’s whistleblowing policy.</p>

## 2.2 Remuneration Committee

### 2.2.1 Purpose

The Remuneration Committee (the “RemCo”) is a Committee of the Board of Directors with attributes of knowledge specialization and experience in risk management and control activities, and independence of opinion on matters concerning the Remuneration Policy (the Policy) of the Bank, its implementation and the incentives arising out of the administration of risk, capital and liquidity.

The RemCo must carry out its responsibilities without hindrance or intervention by any other party that would give rise to conflicts of interest. Additionally, it must have unlimited access to all reports issued by the various Management Committees, the Risk and Internal Audit Departments as well as the Compliance Officer of the Bank.

Its members must not, during their term of office, hold positions or have capacities or carry out transactions that could be deemed incompatible with the RemCo’s mission. Membership in the RemCo does not preclude membership in other BoD Committees.

### 2.2.2 Authority

The RemCo has the authority of the Board to access to and seek any information it requires from any employees to fulfill its duties and responsibilities. All employees are directed to co-operate with any request of the RemCo.

The RemCo is authorized by the Board, in consultation with the Management, to obtain such external information and advice as it thinks necessary in carrying out its responsibilities (with due notification to the Board).

The RemCo makes recommendations to the Board on all matters requiring an approval. The RemCo does not have the authority to make a decision in the Board’s name or on its behalf unless it is specifically authorized by the Board to do so.

### 2.2.3 Membership & Attendance

With regards to Committee membership, and meeting attendance the following shall apply:

Remuneration Committee Membership & Attendance	
Size	The RemCo members shall consist of two independent and non-executive directors.
Nomination and appointment	The non-executive members of the BoD, by a majority vote, select the RemCo members who must be non-executive Board members and in their majority, including the Chairman, also independent (per art. 4 of L.3016/2002).






Chairmanship	The Non-Executive members of the Board appoints the Chairman from among its members.
Composition	The RemCo is composed from the following members:  — M. Kavussanos, (Chairman) — D. Potamitis
Term of office	Appointments to the Committee shall be for a period of five years, which may be renewed without limit. The Committee Members should not, during their term of office, hold posts, have capacities, or carry out transactions that could be deemed incompatible with the Committee's mission.
Resignation and re-election of Members	In case a member wishes to resign, he / she shall inform the Board.  The Members of the RemCo can be re-elected, provided that the provisions set out previously with regards to "Term of Office" are adhered to.
Attendance	Any board member may attend a meeting. The RemCo may invite other executive officers of the Bank to attend the meetings.  The CEO and Deputy CEO (Senior Executive Management) may not attend meetings during which their Remuneration is under discussion.

## 2.2.4 Committee Operations

With regards to the operation of the Committee the following shall apply:

Remuneration Committee Operations	
Meeting frequency	The Chairman decides on the frequency of the meetings and the issues on the agenda. RemCo members should meet at least annually.
Notice of meetings	The meetings will be scheduled by the Chairman who is also responsible to provide the members with a written agenda of the meeting.
Conduct of meetings	Members may participate in a Committee meeting remotely, using any communication facility that permits all meeting participants to communicate adequately with each other (e.g. telephone, video conference, Skype etc.).  A Member participating in a Committee meeting by any such means is deemed to be present at that meeting.

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Meeting minutes	The RemCo shall appoint a secretary to keep the minutes of the meeting and also maintain a pending items/progress list. Minutes of RemCo should be kept and signed by all attendees.
Quorum	The RemCo shall have a quorum and convene validly when two members are present.
Decision making	The RemCo shall act on a unanimous consent.
Reporting to the Board	<p>The RemCo is accountable to the Non-Executive members of the Board. The Chairman of the Committee is required to report to the Non-Executive members of the Board the Committee's recommendations and findings concerning the remuneration of executive BoD members and key risk takers (per I. 4a. of Governor's act 2650/19.1.2012).</p> <p>The RemCo provides, if required, to the General Assembly of Shareholders ample information on its activities.</p>

## 2.2.5 Duties & Responsibilities

The primary duties and responsibilities of the Committee include the following:

Remuneration Committee Duties & Responsibilities	
Duties & Responsibilities	<p>The Committee's duties &amp; responsibilities are to:</p> <ul style="list-style-type: none"> <li>— Adopt, overview and implement periodic reviews of the Remuneration Policy of the Bank and its general principles as defined by the Non-Executive members of the Board.</li> <li>— Co-operate with the Compliance/ AML and Internal Audit Departments and the HR Department, in formulating and periodically reviewing the Remuneration Policy, as well as with external advisors, if/when necessary.</li> <li>— Assure that the Remuneration Policy and procedures as defined by the Non-Executive members of the Board, and as implemented by the Bank, are subject to an independent audit and review by the Internal Audit Department, at least annually.</li> <li>— Define and overview that the remuneration of the Management, i.e. the executive members of the Board of Directors, the officers of the Bank and other highly-paid members of the staff, is in reciprocity with the authorities, duties, specializations and responsibilities assigned to them.</li> <li>— Prepare and submit to the Board for approval, at least annually, remuneration proposals for all concerned parties.</li> <li>— Propose corrective measures in case of weaknesses or deviations identified in the implementation of the Policy.</li> <li>— Inform, advice and assist the non-executive members of the Board in as far as</li> </ul>



	<p>the design, review, and overview of implementation of the Policy is concerned.</p> <ul style="list-style-type: none"><li>— Ensure that the Policy takes into account and is aligned with all the risks assumed by the Bank, its liquidity position and its capital adequacy.</li><li>— Propose to the non-executive members of the Board, on an at least annual basis, the remuneration levels of the Management, especially the executive members of the Board, as well as the highly paid officers of the Bank.</li><li>— Directly supervise the remuneration of the Risk, Compliance and Internal Audit Officers.</li><li>— Evaluate the appointment of external advisors by the non-executive members of the Board, in relation to the provision of advisory or supportive services relative to the Policy.</li><li>— Receive and evaluate the periodically (at least annually) submitted independent reports of the Internal Audit Department.</li><li>— Cooperate with other Committees of the Board or of the Management whose activities may affect the design and correct applicability of the Policy.</li><li>— Ensure the participation of the relevant Departments of the Bank on an advisory level, during the design, review and applicability of the Policy. Also, of the external advisors, when it is considered necessary by the BoD.</li><li>— Provide, if required, adequate information to the General Assembly of Shareholders, in relation to its activities and the tasks assigned to it.</li><li>— Ensure the adequacy of the information provided to shareholders on remuneration policies and practices, in particular on a proposed higher maximum level of the ratio between fixed and variable remuneration.</li><li>— Assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements.</li><li>— Evaluate the effects of changes in the internal or external environment to the remuneration system of the Bank, including changes in the professional activities of employees that materially impact the Bank's risk profile.</li><li>— Review the criteria and process under which the decisions are taken and approve the exemptions made where the Bank decides that the professional activities of the staff member do not have a material impact on the Bank's risk profile determines [according to Article 4(2) of Commission Delegated Regulation (EU) No 604/2014] and notifies the competent authority or applies for a prior approval.</li><li>— Assure that the Management team and executive officers of the Bank are appropriately incentivized to achieve excellent results and performance.</li><li>— Assure that the Bank is able to attract and retain high performing employees whose personal attributes, skills, knowledge and experience well match to the Bank's requirements and philosophy.</li><li>— Assure that the environment and framework of the Bank enables the assessment and development of management talent and potential in line with the needs of the Bank, a strong succession plan exists, for key executives of the Bank.</li><li>— Assure that the Policy does not provide incentives for excessive risk taking.</li></ul>
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