



**INFORMATION ON THE RESPONSIBILITIES AND THE  
OPERATION OF THE BOARD OF DIRECTORS  
COMMITTEES**

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## **Audit Committee**

The Audit Committee's Terms of Reference, approved by the decision of Piraeus Financial Holdings S.A. (PFH) Board of Directors on 24.03.2021 is as follows:

### **1. Introduction**

- The present Terms of Reference of the Audit Committee (hereinafter referred to as the 'Committee') have been issued in compliance with the applicable legislative and regulatory framework (including article 44 of Law 4449/2017, Law 4706/ 2020 and Law 3864/2010) as well as international best practices. These terms of Reference are compatible with the standards and practices of the Institute of Internal Auditors (IIA).
- The Terms of Reference are reviewed, on a regular basis by the Committee and may be revised only by the decision of Piraeus Financial Holdings' BoD following a respective recommendation of the Committee.

### **2. Purpose**

The Committee's purpose is to provide assistance to the BoD concerning the processing of its supervisory responsibilities, for the issues concerning primarily:

- the Internal Control System (ICS) of Piraeus Financial Holdings,
- the procedures of compilation of annual and interim financial reports,
- the external chartered accountants – auditors,
- the Internal Audit Unit (IAU) of Piraeus Financial Holdings,
- the Compliance function of Piraeus Financial Holdings,
- the adherence to Piraeus Group's Code of Conduct.

The Committee communicates with the Management through the Chairman of the Committee.

### **3. Authorization**

The BoD of Piraeus Financial Holdings authorizes the Committee within the framework of its role and responsibilities, so as to:

- 3.1.** Request any type of information or assistance that is considered necessary for exercising its responsibilities from:
  - any collective body, officer or employee of Piraeus Financial Holdings Group.
  - any third party collaborating with Piraeus Financial Holdings
  - any responsible Authority
- 3.2.** Request the presence of any officer of Piraeus Financial Holdings Group, or a third-party collaborating with Piraeus Financial Holdings in the meetings, which it considers to be necessary.
- 3.3.** Have access to any type and form of data and information of Piraeus Financial Holdings Group, which are considered to be necessary for performing its work.
- 3.4.** Use any sources or means, even the collaboration with external advisors, provided that it considers it to be necessary for performing its work.
- 3.5.** Inform the BoD about any limitation encountered in its work.

### **4. Membership**

- 4.1. Designation and replacement of Committee's members:** The General Meeting of Shareholders is responsible to determine the type, the composition and the term of the Committee. Unless resolved otherwise by the General Meeting of Shareholders in the future, the Audit Committee is a Board of Directors' Committee. The Committee's members are designated by the Board of Directors following a respective BoD Nomination Committee proposal presenting the rationale of the members' nomination and the assessment of their independence on the basis of the criteria provided for in law, taking also into consideration possible ineligibility or incompatibility restrictions.
- 4.2. Chairman:** The Chairman of the Committee is appointed by its members and should meet the requirements of

Law 3864/2010. The capacity of the Committee's Chairman is incompatible with the one of the BoD's Chairman as well as the Chairman of the Risk Committee.

**4.3.** The Committee's members are re-eligible at all times. In case that any member of the Committee resigns or dies or loses his capacity as a member, then the BoD may elect his replacement from among its members, meeting the law requirements as well as the requirements of the Committee's quantitative and qualitative composition, which is included in the following paragraph.

**4.4. Composition:** The Committee consists of at least three (3) members. The Representative of the Hellenic Financial Stability Fund (HFSF) is a member of the Committee, as per the provisions of Law 3864/2010. The number of the Committee members should not exceed 40% (rounded to the nearest integer) of the total number of the BoD members (excluding the HFSF Representative). The  $\frac{3}{4}$  (rounded to the nearest whole number) of the Committee's members (excluding the HFSF Representative), including its Chairman, should be independent non-executive BoD members.

**4.5. Term of office:** Unless otherwise resolved by the General Meeting of Shareholders, the term of office of the Committee members coincides with the three-year term of office of the Board of Directors.

**4.6. Characteristics and skills of the Audit Committee's members**

- Adequacy of knowledge and experience

The Chairman of the Committee should possess solid experience in financial management, accounting and auditing and the required knowledge for the supervision of the audit procedures and accounting issues, with which the Committee is concerned. The majority of the Committee's members should possess adequate knowledge of finance, audit or/and accounting issues. All Committee's members should have adequate knowledge of the sector in which the Piraeus Financial Holdings operates.

- Impartiality and Independence

If a certain event or relationship is possible to affect or is considered to be affecting the independence and impartiality of any member of the Committee, this should be notified directly and by an instrument in writing (including explicitly the communication via e-mails) to the Chairman of Piraeus Financial Holdings' BoD by the Chairman of the Committee.

- Compliance with Code of Conduct and required notifications

The requirement for the acquisition and maintenance of the capacity as a Committee member is the continuous compliance of the specific member with Piraeus Financial Holdings Group's Code of Conduct and the required notifications, such as the ones described in the relevant text of declaration (Adjunct I, which comprises an indispensable part of the present terms of reference).

**4.7. Executive Secretary:** The Committee is assisted by the Executive Secretary and a Secretary, who are designated by the Committee.

Each member of the Committee, who undertakes his duties, is provided with a text of declaration from the Executive Secretary (Adjunct I), regarding the Piraeus Financial Holdings Group's Code of Conduct, in which the liabilities and limitations are described due to his capacity as a member of the Committee. After the text of declaration has been signed by the member of the Committee, it is kept by the Executive Secretary of the Committee. The text of declaration is updated when deemed necessary. In case that this text is not accepted, the Chairman of Piraeus Financial Holdings' BoD is informed by the Chairman or the Executive Secretary of the Committee and the member should be replaced.

## **5. Convocation – Decision-making procedure**

**5.1.** The Committee convenes, at least four (4) times a year, within each calendar quarter. Additional meetings may be conducted, when deemed necessary.

**5.2.** Each member of the Committee is entitled to ask, in writing, from the Chairman of the Committee or the Chairman of the BoD, for the convocation of the Committee, so that specific issues are discussed. Such entitlement is also granted to the BoD's Chairman, the Managing Director and CEO of Piraeus Financial Holdings Group as well as to the head of the Internal Audit Unit of Piraeus Financial Holdings and external auditors.

**5.3.** The representative of the Hellenic Financial Stability Fund in the Committee is entitled to the rights comprehended in the term 3.4 of the Relationship Framework Agreement as of 27.11.2015, between the HFSF

and Piraeus Financial Holdings.

- 5.4. The meeting covers issues that have been included in the daily agenda, which is notified timely and in any case no later than five (5) working days prior to the scheduled meeting, to the members of the Committee by the Executive Secretary in consultation with the Chairman of the Committee.
- 5.5. The Committee, following the decision of its Chairman and the information of its members by the Executive Secretary, may convene using electronic means of communication. A member's participation through such means in the Committee's meetings is considered to be valid.
- 5.6. In order for any meeting to proceed and a quorum to be constituted, the presence of at least 50% of the Committee's members is required. At least one independent Committee member, with adequate knowledge of and experience in auditing or accounting, is required to be present in the Committee's meetings, which pertain to the approval of financial statements.
- 5.7. For decision-making, only the Committee's members shall have a voting right. Decisions are made by the majority. In the event of a tie, the Chairman of the Committee shall have a casting vote.
- 5.8. Each Committee member may grant an authorization, in writing, for representation to another member of the Committee, in case that he cannot be present at the Committee's meeting, either by physical presence or through teleconference. In this case, the vote of the absent member is counted as regular and the decision is made by the majority, as above-mentioned.
- 5.9. Minutes executed and signed by all members of the Committee or their representatives shall generate effects as valid decisions even if no meeting has been previously held (by circulation). The signatures of members of their representatives may be replaced by emails of messages exchanged by other electronic means.
- 5.10. The absence of a Committee's member from at least three (3) consecutive meetings should be notified directly to the BoD, by the Chairman of the Committee or by two other members of the Committee. The BoD may decide on the replacement of the member, after the member has been invited to provide clarifications to the Chairman of the BoD regarding his absence.
- 5.11. Minutes are kept at all the meetings of the Committee, which are signed by the present members according to the article 93 of L.4548/2018. In case of non-unanimous decisions, the views of the minority are recorded. The Committee's minutes as well as any relevant mail of the Committee are filed under the responsibility of the Executive Secretary. The ratification of the minutes is included on the daily agenda of the very next meeting of the Committee.
- 5.12. The copies of the minutes are permitted to be granted or/and ratified only after the Chairman of the BoD or the Chairman of the Committee have granted their written approval. The approval shall be held in the Executive Secretary's file.
- 5.13. The Chairman of the Committee may conduct meetings, in addition to the scheduled meetings of the Committee, with the head of the Internal Audit Unit, the CFO and the head of Compliance. Other members of the Committee may also participate in such meetings, provided that they are invited by its Chairman. Such meetings do not substitute nor do they have the same force as the Committee's meetings.
- 5.14. The Committee's Chairman is entitled to invite to its meetings any officers or advisors of Piraeus Financial Holdings Group as deemed appropriate, including indicatively internal or external auditors, compliance or legal advisors and the Chairmen of subsidiaries Audit Committees. As provided for in the Relationship Framework Agreement (RFA) entered into between the Piraeus Financial Holdings and the HFSF, an Observer appointed by the HFSF also attends the Committee's meetings without voting rights.

## **6. Responsibilities**

For the fulfillment of its mission, the Committee has the following duties and responsibilities:

### **A. Financial statements and relevant notifications**

The Committee supervises and evaluates the procedures for compilation of the annual and periodical financial statements of Piraeus Financial Holdings and Piraeus Financial Holdings Group, prior to their submission to the BoD for approval, in order to ascertain the accuracy and completeness of the information contained in them and expresses its opinions, mainly about the following issues:

- the supervision of the audit conducted by the regular chartered auditors – accountants company of the annual and interim financial statements of Piraeus Financial Holdings and Piraeus Financial Holdings Group,

- any major or unusual transactions with significant influence on the financial statements and the way in which they are notified,
- the Management's assessments for provisioning and other issues, which require a prime evaluation and may affect the financial statements to a great extent,
- any major changes proposed by the external auditor.

#### **B. External Audit**

- i. Monitors the mandatory audit of annual and consolidated financial statements and, especially, its performance, taking into account the findings and conclusions of the responsible authority.
- ii. Has the responsibility for the selection process of chartered auditors – accountants or auditing companies and proposes the chartered auditors – accountants or auditing companies to be appointed (ensuring that no later than every (5) consecutive fiscal years, an open and transparent process shall be carried out for the selection of external auditors) according to the article 16 of the Regulation (EU) No 537/2014 (unless the par. 8 of article 16 is applied).
- iii. Is informed of the range of audit and strategy to be followed by the external auditor, including the collaboration with the internal audit.
- iv. Ensures the independence of Piraeus Financial Holdings' external auditors and, especially, the suitability of provision of non-audit services to the Company, taking into account the article 5 of the Regulation (EU) No 537/2014 and the provisions of article 12 of the L3148/2003, regarding the objectivity and independence of external audit. Within this framework, reviews and pre-approves all the auditing and consulting services provided to Piraeus Financial Holdings by the external auditors appointed at any given time.

Furthermore, on an annual basis, the Committee requests from the company of the regular chartered auditors - accountants:

- a written confirmation as regards the independence status of the company of chartered auditors-accountants towards Piraeus Group and
  - a written notification about the nature and extent of other services offered to Piraeus Group, apart from the services regarding the conduct of obligatory audits.
- v. Within the framework of the regular collaboration with the afore-mentioned auditors, the Committee requests the reporting of any problems or weaknesses identified in the Internal Control System upon the audit of the annual financial statements, according to the International Accounting Standards applicable in each case and the international best practices.
  - vi. Submits a proposal to the BoD and Management on the special areas, where the conduct of additional audits by external auditors or specialized consultants is imposed.
  - vii. Asks from the above-mentioned companies of chartered auditors-accountants to report any issue concerning possible limitations to their work. The Committee evaluates the objectivity and independence of the involved auditors.

#### **C. Internal Audit – Internal Control System (ICS)**

- i. Monitors and evaluates the adequacy and effectiveness of ICS on an individual basis and at Piraeus Financial Holdings Group level, based on the relevant data and information of Piraeus Financial Holdings' Internal Audit Unit, the findings and remarks of the external auditors as well as the supervisory authorities.

The Committee evaluates the operation of the ICS on the basis of the relevant data and information included in the quarterly reports, the Annual Report drawn up by the Internal Audit Unit and the supplementary audit report of chartered auditors - accountants or auditing companies.

- ii. Evaluates the supplementary audit report of external auditors according to the article 16 of the Regulation (EU) No 537/2014
- iii. Provides an annual (positive or negative) evaluation statement of the ICS, within the framework of the Corporate Governance Statement.
- iv. Submits proposals to the BoD for addressing the weaknesses detected in ICS and monitors the implementation of measures decided by the Management (follow up), with the assistance of the Internal Audit Unit.
- v. Evaluates the work of Piraeus Financial Holdings' Internal Audit Unit focusing on the issues related to the degree of its independence, the quality and the scope of audits conducted, its impartiality, the priorities determined by the changes in the financial environment, the systems and the risk level and the overall effectiveness of its

operation. With regard to the Internal Audit Unit, the Committee ensures:

- its independent operation,
- its unobstructed access to all the activities, units and rooms, as well as all types and forms of data and information (books, documents, archives, bank accounts, portfolio etc.) of Piraeus Financial Holdings Group,
- its unhampered communication with any officer, collective body and employee of Piraeus Financial Holdings Group,
- the possibility of asking and receiving all the information and clarifications that are necessary from any officer, in order to fulfill its mission within the framework of the conducted audits.

The Committee ensures, along with the Management's assistance, that the Internal Audit Unit possesses the suitable skills and capacities in order to audit and evaluate the effectiveness of the ICS, laying special emphasis on the risk management and fund management sectors, as well as on the financial audit.

- vi. Evaluates and proposes the Annual Action Plan and the Budget of Piraeus Financial Holdings' Internal Audit Unit for approval to the BoD.

In addition, the Committee may request the conduct of additional audits by the Internal Audit Unit, on special areas which it considers necessary, within the framework of performance of its work.

- vii. Recommends the designation and placement of the head of Piraeus Financial Holdings' Internal Audit Unit as well as his possible replacement to the BoD.
- viii. Conducts the annual evaluation of the head of Internal Audit Unit.
- ix. Recommends the approval of the remuneration and compensation of the head of Internal Audit Unit to the Remuneration Committee.
- x. Proposes the Operation Regulation of Piraeus Financial Holdings' Internal Audit Unit as well as its amendments for approval to the BoD.

#### ***D. Compliance – Code of Conduct***

- i. Has the oversight of Compliance issues. More specifically, it reviews the effectiveness of Piraeus Financial Holdings' compliance policies and procedures with the laws, rules and provisions of the supervisory authorities and the corporate governance code adopted by the Company and assigns the investigation of non-compliance cases to the Internal Audit Unit of Piraeus Financial Holdings. Moreover, it is informed by the Risk & Compliance Officer of Piraeus Financial Holdings on a quarterly basis, about the material changes in compliance issues pertaining to Piraeus Financial Holdings.
- ii. Ensures that the Risk & Compliance Officer of Piraeus Financial Holdings is independent with a dual reporting line to the CEO and the Audit Committee. The latter, informs the Committee on any significant changes on regulatory compliance issues.
- iii. Evaluates and comments on the annual Action Plan of the Piraeus Financial Holdings Compliance Function and ensures that such plan has been appropriately prepared, considering the applicable laws and regulations.
- iv. Reviews the quarterly compliance reports prepared by the Risk and Compliance Officer and communicates to the BoD any compliance related non-conformities that may have a material impact on Piraeus Financial Holdings operation, reputation or Financial Statements.
- v. Monitors and evaluates on an annual basis the work of the Piraeus Financial Holdings Compliance taking into consideration:
  - the Annual report of the Risk & Compliance Officer
  - the Annual Report of the Internal Audit on the ICS of the Bank
  - the Quarterly reports of the Risk & Compliance Officer
  - any findings and recommendations from reports issued by the Authorities
- vi. Confirms that the whistle-blowing option is ensured by the appropriate procedures, as well as the protection of the employees, through which they inform the BoD or the Committee about the major irregularities, omissions or criminal offences of which they became aware.
- vii. Approves the Code of Conduct of Piraeus Financial Holdings Group and its possible amendments and monitors its uploading on the intranet of Piraeus Financial Holdings.

#### ***E. Other responsibilities***

- i. The establishment of Audit Committees in all significant (not listed) subsidiaries of the Piraeus Financial Holdings Group, as well as the supervision and coordination of their operation. The Audit Committees of unlisted subsidiaries of the Group companies in Greece and abroad, have separate terms of reference, following the present terms of reference, adapted to the requirements of the local legislation. The Audit Committee may propose to the Board of each subsidiary, the composition of the local Audit Committee.
- ii. The Committee has oversight of the Group as a whole in relation to the matters within its remit, but notes that, within the parameters set by this Committee matters which relate solely to Piraeus Financial Holdings' subsidiary "Piraeus Bank S.A." (Bank) and/or its respective subsidiaries and which fall solely within the remit of the Terms of reference of the Bank's Audit Committee shall be dealt with by that Committee. However, to the extent that such matters are of Group-level significance, the Committee will exercise additional oversight.
- iii. The immediate notification to the Board or/and to the Management of any event that has come to their attention, which is likely to have a significant impact on the operations of the Group.

#### ***F. Reporting***

- i. **General** – The Committee should identify any shareholder views on audit issues and respond to any shareholder concerns.
- ii. **Board of Directors:** The Committee reports to the BoD on a regular basis in respect with its activities, including any reporting required by laws or regulations.
- iii. **Annual General Meeting of Shareholders-** The Committee compiles a report of the work of the Committee in discharging its responsibilities for submission to the Annual General Meeting of Shareholders.
- iv. The Chairman of the Committee, or a deputy chosen from the membership, should be present at the Annual General Meeting of Shareholders to answer questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.
- v. **Annual Report** –A brief report of the Committee's work in discharging its responsibilities is also included in the Annual Report.

### ***7. Committee's Self-assessment***

The Committee conducts an annual self-assessment in order to identify strengths and weaknesses, to flag areas for improvement, and to plan for further action as appropriate.

## **Risk Committee**

The Risk Committee's Terms of Reference, approved by the decision of Piraeus Financial Holdings S.A. (PFH) Board of Directors on 24.03.2021 is as follows:

### **1. Purpose**

The Risk Committee, hereinafter referred to as the "Committee", is responsible for exercising the duties specified in the present terms of reference, in order to assist the BoD in its duties with regard to risk management issues. More specifically, the Risk Committee ensures that:

1. The Group Risk & Capital Strategy and the Risk Appetite Framework have been developed and implemented properly and in line with Piraeus Financial Holdings Group business plan.
2. Piraeus Financial Holdings and its Group have developed and implemented sound and comprehensive policies and procedures reliable methods and tools for the effective identification, assessment, measurement, monitoring, mitigation and control of the undertaken risks.
3. The risk management and control framework is properly integrated in the decision-making processes of Piraeus Financial Holdings and its Group.



## **2. Operation**

### **2.1 Composition**

The Risk Committee consists of non-executive BoD members appointed by the Board of Directors, who possess the appropriate knowledge, skills and expertise, in order to comprehend and monitor the risk & capital strategy of the Company and its Group. Pursuant to the provisions of Law 3864/2010, the Representative of the Hellenic Financial Stability Fund (HFSF) in the Board of Directors of Piraeus Financial Holdings participates in the Risk Committee with full voting rights.

The number of the Committee members cannot be lower than three (3) members and, in total, it cannot exceed 40% (rounded to the nearest whole number) of the total number of the BoD members (excluding the HFSF Representative). The majority of the members (rounded to the nearest whole number and excluding the HFSF Representative) should be independent.

Chairman: The Committee's Chairman is appointed by the Board of Directors and must possess solid experience in commercial banking and preferably risk management, as well as familiarity with the local and international regulatory framework, which regulates the company's operation. The capacity of the BoD's Chairman is incompatible with the capacity of the Risk Committee's Chairman, while the Chairman of the Risk Committee cannot be the Chairman of Piraeus Financial Holdings' Audit Committee at the same time. The Chairman of the Committee shall meet the criteria of art. 10 of Law 3864/2010.

Members: All members of the Risk Committee should possess adequate knowledge and previous experience in the financial services and banking industry, with at least one member having solid risk and capital management experience, as well as familiarity with the local and international regulatory framework.

Secretary: The Committee is supported by an Executive Secretary and a Secretary. The Risk and Compliance Officer is designated as the Executive Secretary by the Board of Directors. He/she is independent, reports directly to the Risk Committee and is subject to the audit by the Internal Audit.

### **2.2 Term of Office**

The term of office of the Committee's members cannot exceed the term of office of the Board of Directors (three years), but the Board of Directors is entitled to cease or replace them at any time.

- The loss of the capacity as a BoD member entails automatically the loss of the capacity as the Committee's member.
- The Committee's members are rotated provided that they have completed two consecutive three-year periods (that is, time equal to the BoD's two full terms of office) as the Committee's members. Their re-appointment at a later date is not excluded.

### **2.3 Convocation**

The Committee convenes, upon its Chairman's invitation, on a monthly basis, while additional meetings are likely to be convened, if necessary. Each member of the Committee is entitled to request in writing the convocation of the Committee for the discussion of specific issues.

The Committee is entitled to invite to the Committee meetings any officer or advisor of Piraeus Financial Holdings Group it considers advisable or useful. As provided for in the RFA entered into between the Company and the HFSF, an Observer appointed by the HFSF also attends the Committee's meetings without voting rights.

### **2.4 Decision-making procedure**

In order for the Committee to meet validly, a quorum of over 50% of its members is required. The Committee's decisions are adopted by the majority of 2/3 of the present members. Members participating through teleconference or other technological means are also included. Without prejudice to the attainment of a quorum as afore-mentioned, a member of the Committee may participate in the meeting through teleconference or in the case of an impediment, he/she may authorize in writing another member in order to represent him/her at a specific meeting of the Committee and vote on his/her behalf in the daily agenda issues. No member can represent more than one member of the Committee.

Minutes executed and signed by all members of the Committee or their representatives shall generate effects as valid decisions even if no meeting has been previously held. The signatures of members of their representatives may be replaced by emails or messages exchanged by other electronic means.

The presence, participation and vote of a member of the Committee shall not be allowed during the discussion of an issue, for which he/she has a conflict of interests. The decisions concerning the specification of risk management policy, procedures, terms or criteria or other general implementation issues shall not fall under the above-mentioned ban.

Minutes are kept at all the meetings of the Committee and signed by the present members. In case of non-unanimous decisions, the views of the minority are recorded. The ratification of the minutes is included on the daily agenda of the very next meeting of the Committee.

### **3. Duties and Responsibilities**

The Risk Committee's mission is to ensure that:

- (a) Piraeus Financial Holdings and its Group has a well-defined Group Risk & Capital Strategy and Risk Appetite Framework in line with its business goals as well as with the available human and technical resources. The risk appetite of Piraeus Financial Holdings and Group is articulated and clearly communicated in a set of quantitative and qualitative statements, and specific limits, for the material risks.
- (b) All risks connected to the activity of Piraeus Financial Holdings and its Group are effectively identified, assessed, measured, controlled, mitigated and monitored.
- (c) The risk management and control framework in place, including policies, methods and tools, complies with Risk & Capital Strategy and Risk Appetite as well as regulatory and supervisory requirements.

For the achievement of its goal, the Committee undertakes the following duties and responsibilities:

- Monitors, assesses and provides update to the BoD with respect to the compliance with supervisory requirements, the risk profile and the adherence with the approved risk appetite limits and early warning levels of Piraeus Financial Holdings and its Group.
- Evaluates the adequacy and effectiveness of the risk management & control framework to ensure that it remains comprehensive, adequate and proportionate to the nature, extent and complexity of the Piraeus Financial Holdings and its Group current activities.
- Oversees (jointly with the Audit Committee) and provides update to the BoD with respect to the implementation progress of the major initiatives related to operational risk as well as internal control enhancements.
- Oversees (jointly with the Audit Committee) and provides update to the BoD with respect to the implementation progress of the Action Plans on Regulatory / Supervisory Assessments.
- Proceeds with any other advisable action for the effective pursuance of its mission.

### **4. Committee's Support**

- The Executive Secretary is responsible for collecting the material and information, which are useful or necessary for the Committee's work; prepares the issues to be discussed by the Committee; and monitors the communication of the

Committee's decisions at the Piraeus Financial Holdings and its Group level. The Executive Secretary is assisted by the employees of Piraeus Financial Holdings.

- For the effective execution of its duties and responsibilities, the Committee is supported by the Units of Piraeus Financial Holdings and is entitled to hire external consultants and specify the collaboration terms with them, whose remuneration shall be charged to the Management's budget. The Committee's members are granted with full and unconditional access to the IT systems and specialized tools that are used by Piraeus Financial Holdings and are necessary for the execution of the Committee's duties, at the primary data level as well as at the management information level.

## **5. Reporting**

Within the framework of its responsibilities, the Committee presents the results of its actions and activities to the BoD:

- The Committee informs the BoD about the results of its work through a written report, at least once per year, at any reasonable time.
- In parallel, the Committee's Chairman informs the BoD, in intervening periods, about the work of the Committee within the framework of the BoDs meetings.
- The Committee sets out in writing its proposals and recommendations to the BoD, concerning corrective actions in case that any deviations or weaknesses are detected in the implementation of the approved Risk & Capital Strategy.
- The Committee evaluates and provides recommendation to the Board of Directors (jointly with the Remuneration Committee) in respect to the Risk and Compliance Officer compensation.

## **6. Terms of reference**

The Committee periodically reviews the present terms of reference and recommends to the Board of Directors any amendments that it considers useful or required.

### **Remuneration Committee**

The Remuneration Committee's Terms of Reference, approved by the decision of Piraeus Financial Holdings S.A. (PFH) Board of Directors on 25.02.2021 is as follows:

The Remuneration Committee (hereinafter the "Committee") is a Committee of the Board of Directors (hereinafter the "BoD") which approves its composition and Terms of Reference.

Any delegation to the Committee shall not amend the authority or responsibility of the BoD. The BoD of Piraeus Financial Holdings has authorized the Committee to act as follows:

### **1. Purpose**

The scope of the Committee is:

- I. To recommend and advise the BoD for the processing of its supervisory responsibilities regarding the design, control of implementation and periodical revision of the Remuneration Policy and the Directors' Remuneration Policy and the alignment of same with the corporate strategic goals of Piraeus Financial Holdings. In fulfilling its tasks, the Committee will take into account the Risk appetite framework of Piraeus Financial Holdings and the long-term interests of shareholders, investors and other stakeholders.
- II. To monitor the implementation of a framework that objectively evaluates the performance and is directly linked with the determination of the remuneration of employees, whose professional activities have a material impact on the risk profile of Piraeus Financial Holdings (Risk Takers), as well as of the total of employees (Non-Risk Takers).
- III. To oversee the implementation of Piraeus Financial Holdings' policies regarding talent management and succession planning.

- IV. To assess the implementation of strategies with the purpose of building a Corporate Culture that will support the objectives and vision of Piraeus Financial Holdings.

The Chairman of the Committee informs the BoD about the Committee's work within the framework of the BoD's meetings.

## **2. Responsibilities**

### **Remuneration Issues**

1. Annual review of the Remuneration Policy and the Directors' Remuneration Policy. The Committee should evaluate the extent to which these policies:
  - a. Are consistent with the strategy of Piraeus Financial Holdings as well as its long-term sustainable success and does not encourage excessive and short-term risks.
  - b. Drive behaviors that are aligned with the purpose, values and culture of Piraeus Financial Holdings.
  - c. Ensure that performance related indicators are measurable, challenging and engaging in order to create sustainable growth and shareholder value.
  - d. Ensure that potential compensation structures incorporate risk-adjusted performance targets and that a proper balance between short-term and long-term performance is achieved. In this context, the Remuneration Committee should seek advice from the Risk Committee on the risk assessment and risk-adjusted performance targets.
  - e. Are, at all times, compliant with the current legal and regulatory requirements.
2. Assess, at least annually, the findings and proposals for potential revision of the Remuneration Policy, made by the Internal Audit of Piraeus Financial Holdings.
3. Assess regularly to what extent the remuneration of the executive and non-executive members of the BoD, as well as the senior executive management is sufficient to retain and attract key personnel. The review is to be conducted from time to time by a specialized consulting company against benchmarking data of peers.
4. Make recommendations annually to the BoD regarding the remuneration of the executive and nonexecutive members of the BoD for the coming period.
5. Make recommendations to the BoD on the remuneration of the senior executive management of Piraeus Financial Holdings.
6. Assess the compliance of proposed variable remuneration schemes to current legislation as well as their consistency with the risk appetite and strategies of Piraeus Financial Holdings. In addition, the Committee shall make recommendations to the BoD regarding the criteria/requirements of eligibility, structure, objectives and pay out to both risk-takers and non-risk takers falling within the risk profile of Piraeus Group, under these practices and schemes.
7. Assess whether the proposed remuneration packages for senior executives of Piraeus Financial Holdings' independent control functions are compliant with the Remuneration Policy and forms proposals to the BoD regarding their remunerations for these positions (e.g. Group Risk Management, Group Internal Audit and Group Compliance). Remuneration should not be connected with the performance of the business units they monitor.
8. Review other policies and strategies related to staff remuneration. Have a regular oversight of pay equality and presence of discrimination based on gender, age etc.
9. The Remuneration Committee should review and propose to the Board for approval the goals and objectives relevant to the CEO's compensation and evaluate the CEO's performance in light of these goals and objectives.

### **Human capital issues:**

1. Review the overall human capital strategy and objectives in alignment with the overall strategy of Piraeus Financial Holdings
2. Be updated on labor relation matters and other matters of relevance for ensuring business continuity.
3. Evaluate the "strategic workforce planning" of Piraeus Financial Holdings, to ensure that talent and capability are compatible with the long-term targets of Piraeus Financial Holdings.

4. Get regular updates on organizational changes and programs with the purpose of improving efficiency and management effectiveness.
5. Review the development and implementation of the annual performance assessment framework of Piraeus Financial Holdings, so as to ensure that the criteria are relevant to unlock each employee's potential and support the Piraeus Financial Holdings' strategy.
6. Oversee the efficiency of the talent management framework to create a pipeline of future leaders in critical positions of Piraeus Financial Holdings and thus ensure that a solid succession planning is in force
7. Be regularly updated on the effectiveness of the Human Capital programs to formulate and diffuse corporate values and vision throughout the Piraeus Financial Holdings.

#### **Other issues:**

1. Review and recommend for BoD approval policies and/or reports related to remuneration and critical HR issues that Piraeus Financial Holdings is required to disclose or/and submit them in the Annual General Meeting of Shareholders, such as (indicatively):
  - a. Directors' Remuneration Policy
  - b. Annual Remuneration Report for BoD Members. In this context, it reviews the information included in the final draft of the Annual Remuneration Report by expressing its opinion to the BoD prior to the submission thereof to the General Meetings according to article 112 of Law 4548/2018.
2. Approve annually, in the context of the Corporate Governance Statement, a disclosure of compliance of the Remuneration Policy with the current applicable legislation.
3. Review its present rules governing its operation on an annual basis and propose any necessary amendments to the BoD.

### **3. Composition**

1. The members of the Committee and its Chairman are appointed, dismissed and replaced by the BoD. All Committee's members are members of the BoD. The loss of the capacity as a member of the BoD entails automatically the loss of the capacity as the Committee's member.
2. The members of the Committee should not exceed 40% of the total number of BoD members of Piraeus Financial Holdings, with a minimum of three members (not including the HFSF representative). The HFSF Representative participates as a member in the Committee with full voting rights.  
The majority of the members must be independent. The definition of an independent BoD member is based on the applicable legislation.
3. The Committee should have, as a body, knowledge, expertise and professional experience in remuneration related issues, risk management and control activities. The adequacy of the experience and expertise of the members of the Committee is regularly evaluated by the Corporate Governance and Nomination Committee.
4. At least one member of the Committee should also be a Member of the Risk Committee to oversee the alignment of the Remuneration Policy with the risk and capital adequacy strategy of Piraeus Financial Holdings.
5. The members of the Committee are not allowed to hold any parallel positions or capacities or conduct any transactions that could be considered to be incompatible with the Committee's mission. The participation in the Committee shall not exclude the possibility of participating in other committees of the BoD.
6. The Committee's Secretary is appointed by the Committee, which is entitled to replace him/her at any time.

### **4. Operation**

#### **1. Frequency of meetings and Decision-making procedure**

1.1 The Committee convenes, following the Chairman's invitation, as many times as required necessary for the fulfillment of its mission, but not less than four (4) times every calendar year. Each member of the Committee is

entitled to request the convocation of the Committee in writing, for the discussion of particular issues. Members may attend the meetings by video or audio conference while mandatory minimum attendance should be achieved as described in the Board and Board Committees' Attendance Policy.

1.2 The Committee may hold joint sessions with other Board committees, as may be required for an effective review of issues under its competence or may revert issues to other Board Committees for matters within their competence, as per case.

1.3 In order for a decision to be made by the Committee, a quorum of at least half of its members should be present. A member of the Committee may authorize in writing, another member to vote on his/her behalf for specific issues on the agenda. No member may represent more than one of the other Committee's members.

1.4 The Committee's decisions are made by the majority of the present and representative members. The views of the minority should be recorded in the Committee's minutes in case of a non-unanimous decision.

1.5 Minutes are kept at all the meetings of the Committee and are ratified by the Committee's Chairman and Secretary. The minutes should be sent to the Chairman of the Committee at least ten (10) days prior to the next scheduled meeting.

## **2. Participation and Support**

2.1 In principle, only the members of the Committee should participate in the meetings. However, the Committee is entitled to invite to its meetings as many of the employees, officers or advisors of Piraeus Group, as it considers advisable or useful. In any case, no executive should be present when his/her remuneration is discussed.

2.2 The CEO of Piraeus Financial Holdings is invited to the meetings discussing the decisions pertaining to the specification of policy, plans, programs, terms or criteria for benefits or remuneration or other general implementation issues. However, the CEO shall not be present when his/her remuneration is discussed.

2.3 The Observer of Hellenic Financial Stability Fund has the right to attend committee meetings.

2.4 The Committee's Secretary, under the direction of the CEO, supports the Committee's Chairman in preparing a yearly schedule for the Committee that covers its tasks, as well as the agenda with supporting documents for each meeting. The agenda and supporting materials should be distributed not later than five (5) calendar days prior to the meeting.

## **5. Access to information**

The Committee shall have unimpeded access to all the information and data necessary for the fulfillment of the BoD's duties regarding the design and implementation, oversight and review of remuneration policies & practices and may request the management to provide access to any information related to the remuneration within Piraeus Financial Holdings, including any report and information from independent control functions (such as information on risks), in a manner that does not hinder the ordinary activities of Piraeus Financial Holdings.

## **BoD Members' Nomination Committee**

*"The Committee's Terms of reference are under revision following the recent corporate transformation of the Company (formerly "Piraeus Bank. S.A.") and Law 4706/2020 on corporate governance. Therefore, references to "Piraeus Bank", "Piraeus Bank Société Anonyme" or to the "Bank" should be read and construed to be references to Piraeus Financial Holdings S.A. (formerly Piraeus Bank Société Anonyme) prior to the completion of the demerger on 30.12.2020."*

## **A. Responsibilities**

### **1. For issues concerning the Nomination of candidates for Board Members, the Committee:**

a) is responsible to the Board for running the process for identifying and nominating suitable candidates to be proposed by the Board to the General Meeting for election or re-election upon the expiry of the tenure of the incumbent Board or as replacements for Board positions which become vacant during the Board's term.

b) establishes a candidate's "independence" in the context of Greek corporate law and relevant EBA guidelines; the Committee also examines the eligibility of any potential nominee with the HFSF requirements and, if needed, engage with the HFSF,

c) reviews at least on an annual basis the structure, size and composition (including the aggregate skillset, knowledge, independence, experience and diversity) of the Board and of its Committees, and makes recommendations to the Board with regard to any adjustments that are deemed necessary. In making its recommendations, the Committee gives consideration to targets of diversity, set by the Board from time to time,

d) is responsible for Board and top executive management succession planning over the longer term, in order to ensure Board and Management continuity. (Appointment of ExCo members requires approval of the Chair of the Committee and the Chairman of the Board),

e) adopts a Nomination Criteria Policy for Board members and reviews it at least once every two calendar years. The Nomination Criteria Policy takes into account the fit-and-proper criteria set by the EBA as well as the HFSF law (L.3864/2010) specific criteria for Board members in Greek systemic financial institutions and will be disclosed in the annual Corporate Governance Report,

f) adopts a Diversity Policy for Board members and review it on a biannual basis.

### **2. For issues concerning the review of the Board's Effectiveness, the Committee:**

a) conducts an annual assessment of the effectiveness of the Board and its Committees; such evaluation may be externally facilitated;

b) ensures that an annual performance evaluation is conducted for the Chief Executive Officer and other Board executives and is reported to the Board;

c) liaises with the HFSF in all matters pertaining to the Committee's mandate including coordinating the Board evaluation process carried out by the HFSF under the RFA and any follow up thereon.

d) evaluates the independence of the incumbent non-executive Board members once every two years by running an appropriate independence review.

### **3. For issues concerning the induction and training of Board Members, the Committee:**

a. adopts the Induction and Training Policy for Board members and monitors its application; the Committee reviews such Induction and Training Policy at least once every two years and amend it, as it deems appropriate.

b. sponsors and oversees the induction and training programs for members of the Board, both on their initial appointment and on an on-going basis. Such training will address inter alia: financial, market and regulatory matters, risk and compliance matters, financial reporting, new legislative developments, NPL management, IT and digital banking developments, as well as other specific aspects unique to the Bank and its business environment.

## **B. Composition and attendance**

2.1 The Committee members (excluding the HFSF Representative) shall not exceed 40% (rounded to the nearest integer) of total Board members with a minimum of three members. All members shall be non-executive, with the majority being independent non-executive Directors. The HFSF Representative shall be an ex officio member of the Committee.

2.2 The Board of Directors appoints the Committee members and Chair, who shall be an independent non-executive director amongst those designated as "international experts" in accordance with Article 10 of the HFSF Law (L. 3864/2010 as in force). The Board of Directors may replace any member of the Committee (other than the HFSF Representative) at any time.



2.3 The Chairman of the Board, if not a member of the Committee, may attend any meeting of the Committee, without voting.

2.4 Unless otherwise decided by the Board, the Corporate Secretary of the Bank shall act as Secretary to the Committee.

2.5 Upon decision by the Chair of the Committee, the Group General Counsel may be invited to attend meetings of the Committee and provide legal support, as appropriate.

2.6 The HFSF Observer has the right to attend and observe the Committee meetings.

2.7 The Chair of the Committee may invite any manager or employee of the Bank and/or any external consultant to attend a meeting.

### **C. Proceedings of the Committee**

3.1 The Committee convenes as required on a need-to-meet basis but at least twice every calendar year. The Chair of the Committee and the Chairman of the Board may each convene meetings of the Committee at any time.

3.2 The quorum necessary for holding a meeting is at least 2/3 of the total number of Committee members including the HFSF Representative. Members may attend the meeting via telephone or video conference.

3.3 In their absence, Committee members may authorize other Committee members to represent them and vote on the items of the agenda, but no Committee member may represent more than one other member. In the absence of the Chair of the Committee, the Committee members present shall elect one among them to act as chair for the meeting.

3.4 Decisions of the Committee are taken with the majority of the members present or represented at the meeting. The Chair of the Committee does not have a casting vote.

3.5 The Chair may decide to hold closed sessions of the Committee in order to safeguard confidentiality of sensitive matters or evaluations of people; in this case, the closed session is attended only by the Committee members, the HFSF Observer and those other attendees invited by the Committee Chair.

3.6 The Secretary takes notes for each meeting and circulates a draft of the minutes to the Committee Chair for approval. The minutes contain a concise recount of the proceedings and the decisions of the Committee. In case of non-unanimous decisions, the dissenting views shall be recorded in the minutes. Committee members will be furnished with copies of the minutes of each meeting for ratification. Copies or excerpts of the ratified minutes may be issued signed by the Chair or the Secretary.

### **D. Governance and Resources**

4.1 The Committee may delegate any matter within its remit to sub-committees or working groups which will report to the Committee.

4.2 The Committee shall have access to sufficient resources in order to carry out its duties, including a separate budget to engage executive search firms, external legal or other professional advisers on any matters within these Terms of Reference.

4.3 The Committee reviews these Terms of Reference at least once every two years and, if appropriate, recommend changes to the Board of Directors.



## **Board Ethics & ESG Committee**

The Board Ethics & ESG Committee's Terms of Reference, approved by the decision of Piraeus Financial Holdings S.A. (PFH) Board of Directors on 21.10.2021 is as follows:

The objective of the Board Ethics & ESG Committee (hereafter "the Committee") is (a) to consider the material ethical, environmental, social and governance issues relevant to Piraeus Group's business activities and (b) to support the Group in maintaining its position as a reference leader in ethical and ESG (environment, society, governance) issues.

The Committee's role is to support the Board of Directors ("BoD" or the "Board") and its Committees for both PFH and Piraeus Bank S.A. (Bank) as applicable, by proactively setting, challenging, supporting and overseeing policies and strategies implemented by Management to generate value for all stakeholders and to promote the corporate values and culture of the Group.

The Committee works closely in coordination with the BoD's Nomination, Remuneration, Audit, Risk and Strategy Committees, in assisting the BoD to meet its ESG responsibilities.

### **Scope**

#### **1. Ethics Related Matters**

The Committee is responsible for overseeing, reviewing and providing direction to Management on policies & strategies (or initiatives) relating to matters of Ethics.

The Committee is also responsible for overseeing Management's effort to foster a culture of ethics, and discouraging unethical behavior. In this respect, the Committee:

- a) makes recommendations to the Board with respect to any revisions to the Piraeus Group's Code of Conduct, at least every three years, following proposals made through the relevant review procedure;
- b) is informed by the Compliance Unit of significant revisions to the Conflict of Interest Policy;
- c) is informed by the Compliance Unit on matters of policies regarding:
  - the fair treatment of customers (products and services design and suitability, sales processes, transparency of fees)
  - compliance with laws and regulations,
  - Politically Exposed Persons,
  - Related Party transactions,
  - Lobbying policy and policy for political contributions
- d) reviews cases of alleged misconduct, relating to Board<sup>i</sup> and ExCo members of PFH and makes recommendations to the Board for decisions;
- e) provides feedback to the Nomination Committee on cases of conflicts of interest, for BoD members;
- f) is informed by Internal Audit on matters regarding the Whistleblowing framework, including changes of policies, proper operation of the established procedures, channels offered and progress of the investigations;
- g) is updated periodically on the Complaints and Grievances procedures, to encourage the fair treatment of customers and the proper conduct of business;
- h) is apprised by Internal Audit, Legal Unit, Compliance Unit or HR, as applicable, on the progress of forensic investigations, litigation cases, regulatory proceedings, or incidents with significant reputational risk, for matters falling within the Committee's scope;
- i) promotes best practices and ethical behavior for both entities, taking into consideration the interests of shareholders, customers, employees, and other stakeholders.

#### **2. Environment and Society/Culture Related Matters**

The Committee is responsible for monitoring the strategy, policies, initiatives and programs of the Group with respect to society, culture and the environment, including climate change, as well as natural and human-built environments. Where necessary, the Committee consults and works or convenes together with the rest of the Board Committees in order to understand and assess properly certain ESG matters that may be thoroughly presented and discussed during other Board Committee meetings. The Committee, acting for both PFH and the Bank:

- a) lays the directions and makes recommendations to the BoD and/or relevant Board Committees with regards to the policies and strategies for the management of:
  - climate-related, environmental and biodiversity threats,
  - societal and cultural issues.
- b) monitors the implementation of the above policies and strategies and especially the mainstreaming of climate and nature-related issues, in co-operation with the Risk Committee and the Strategy Committee of the Board;
- c) reviews ESG strategy, goals, targets, monitors progress and makes recommendations to the competent committees and to the Board for approval as appropriate;
- d) is updated by Management and informs the BoD on environmental, social and cultural action plans, as well as the impact of these plans on society and communities overall;
- e) promotes strategies and practices regarding human rights, gender equality, diversity, financial literacy, and financial health and inclusion;
- f) reviews the performance and results of key ESG KPIs of Piraeus Group vs global respective benchmarks;
- g) oversees the delivery of the Group's climate resilience strategy and disclosures relating to market standards, as well as the degree of the Group's alignment with regulatory ESG and climate-related guidance, rules (such as EU Taxonomy, SFDR, ESG sustainability factors within the MiFID framework, et.al.) and expectations;
- h) supports the Nomination Committee, if requested, in the evaluation of the knowledge, competence and experience of the Board Members in the area of ESG risks, in its assessment of the collective suitability of such members and to further arrange the education of the Board Members in relation to all the above;
- i) considers the institution's response to the objectives set out under international agreements such as the Paris Agreement (2015), EU environmental-related policies such as the EU Green Deal, local and national policies, as well as the outcomes of well-founded climate-related and environmental assessments and makes recommendations for adoption by the Board of Directors;
- j) oversees the reputational impact of the Group's ESG business strategies and practices and ESG related actions;
- k) makes recommendations to the Board regarding the ESG disclosures and the annual Sustainability & Business Report ("SBR") to ensure transparency around ESG matters.

## Composition

1. All members of the Committee must be non-executive BoD members. The Committee shall be chaired by the Chairman of the Board, and comprise at least three (3) other non-executive Board members the majority of which must be independent. The HFSF Representative to the PFH's Board shall be among the Committee members.
2. In accordance with the Conflicts of Interest Policy of the Piraeus Group, should any member of the Committee identify any perceived or potential conflict of interest in relation of any item on the Committee's agenda, then such member shall recuse itself and shall abstain from any deliberations of the Committee on such matter.
3. The General Counsel advises the Committee on legal matters.
4. Other individuals, employees and external advisors may be invited to attend all or part of any meetings as and when appropriate, by invitation of the Chair.

## Meetings

The Committee convenes following the Chairman's invitation, as many times as required for the fulfillment of its mission and at least quarterly. The Committee's meetings may also be carried out using teleconferences. The Chairman can further change the date and the frequency of the regular meetings. When certain items of the Agenda of a meeting correlate with similar items discussed in other Board Committees, common meetings may be held on those agenda matters.

## Secretary to the Committee

1. The Corporate Secretariat assigns a Secretary to the Committee.
2. The Head of Group Planning, IR and ESG will act as Executive Secretary of the Committee.
3. Agenda and supporting documents are forwarded to members at least 5 calendar days before the meetings.
4. Summary minutes are kept at all the meetings of the Committee, which are ratified by the Chairman and the Secretary of the Committee.
5. Minutes are forwarded to all BoD members.

## **Reporting**

The Committee Chair updates the BoD at least once a year on the key matters of the Committee's activities and how the Committee has discharged its mandate.

## **Quorum and decision making**

1. The Committee is Quorate when at least half of its members are present (in case of a decimal number, it is rounded up to next integer).
2. Passing of decisions requires a majority of at least 2/3 of the present members.
3. In case of hindrance to participate in any meeting, a member of the Committee may authorize in writing or by email, another Committee member in order to represent him/her at a specific meeting and vote on his/her behalf on the items of the relevant agenda. No member may represent more than one other Committee member.

## **Revision procedures**

1. The BoD will review the Terms of Reference of the Committee at least every three years, or ad-hoc in the event of changes in the legal and/or regulatory framework, in order to be updated as required.
2. Periodically (but not less than once every three years) the Committee will perform a self-assessment exercise and report the results to the BoD.

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<sup>i</sup> The BoD member for which complaint/matter relates to, will be recused from the meeting