

**PIRAEUS BANK**



**CORPORATE GOVERNANCE & OPERATION**

**REGULATION**



The information contained in this Corporate Governance Structure and Operating Regulation has been translated from the original Corporate Governance Structure and Operating Regulation that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language Corporate Governance Structure and Operating Regulation, the Greek language Corporate Governance Structure and Operating Regulation will prevail over this document.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	2 of 42



## GENERAL FILE INFORMATION

<b>Title</b>	Corporate Governance and Operation Regulation
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## FILE HISTORY

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1.1	26/01/2023	Piraeus Bank BoD meeting No 39/19.01.2023
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## RELATED DOCUMENTS/ APPENDICES

TITLE	ISSUED by
ORGANISATION CHART	
COMPETENCES OF ORGANISATION UNITS	
EXECUTIVE & ADMINISTRATIVE COMMITTEES AND BOARDS	



## TABLE OF CONTENTS

1.	CORPORATE GOVERNANCE.....	7
1.1	General Meeting of Shareholders.....	7
1.1.1.	Powers of the General Meeting.....	7
1.1.2.	Convening of General Meeting.....	7
1.1.3.	Quorum and decision-making by the General Meeting.....	8
1.1.4.	Right to participate and vote.....	8
1.1.5.	Procedure for participation and voting by proxy.....	8
1.1.6.	Minority and controlling interest.....	8
1.2	Board of Directors.....	9
1.2.1.	Operation of the Board of Directors.....	13
1.2.2.	Duties / Responsibilities of the BoD Members.....	15
1.2.3.	Responsibilities of the Board of Directors and its Members.....	16
1.2.4.	BoD Member’s Fees and Compensations.....	19
2.	INTERNAL CONTROL SYSTEM (ICS).....	20
3.	ORGANISATIONAL STRUCTURE OF THE BANK.....	21
3.1.	Organisational structure.....	21
3.2.	Executive & Administrative Committees and Boards.....	21
3.3.	Organisation Chart.....	21
3.4.	Responsibilities of Organizational Units.....	22
4.	INTERNAL AUDIT.....	23
4.1.	Mission.....	23
4.2.	Function and Organisational Composition.....	23
4.3.	Independence and Jurisdiction.....	23
4.4.	Quality Assurance.....	24
4.5.	Audit Work.....	24
4.6.	Advisory Participation in Projects.....	24
5.	COMPLIANCE.....	25
6.	RISK MANAGEMENT.....	29
7.	OTHER OBLIGATIONS – REGULATORY PROVISIONS.....	32
7.1.	Corporate Announcements.....	32
7.2.	Financial Information.....	32
7.3.	Inside information management procedure in accordance with the provisions of Regulation (EU) 596/2014.....	32
7.4.	Procedure for the Monitoring of Trading in Group Securities or Derivatives or other Financial Instruments linked thereto.....	32
7.5.	Obligation to Report Transactions under Regulation (EU) 3556/2007.....	33
7.6.	Procedure for the Notification of Transactions conducted by Persons Discharging Managerial Duties in the Bank and Persons closely related with them.....	33
7.7.	Obligation for Quarterly Related Party Transaction Disclosure according to IAS 24.....	33

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	4 of 42



7.8.	Rules regulating Transactions with Affiliates .....	33
7.9.	Transactions with Board members and related parties.....	33
7.10.	Management of Complaints.....	34
7.11.	Confidentiality – Personal Data Protection.....	34
7.12.	Assurance of Continuous and Secure Operation of IT Systems .....	35
7.13.	Code of Conduct and Ethics.....	35
7.14.	Other main policies and procedures.....	36
8.	GROUP HUMAN RESOURCES .....	37
8.1.	Group Human Resources .....	37
8.2.	Recruitment of Management Executives.....	37
8.2.1	Approval to fill the vacancy.....	37
8.2.2	Search for Internal / External Candidates – Evaluation of Qualifications / Skills .....	37
8.3.	Human Resources Training & Development.....	38
8.3.1	Training of the BoD .....	38
8.3.2	Senior Management Training.....	38
8.4	Management Executives Performance Management.....	38
8.5	Succession Planning .....	39
8.6	Talent Management.....	40
8.7	Remuneration Policy .....	40
9.	CORPORATE RESPONSIBILITY and ESG (Environmental, Social & Governance).....	42

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	5 of 42



## PREAMBLE

During the meeting on 19/01/2023 Piraeus Bank's Board of Directors, having considered the applicable legislative and regulatory provisions that govern the Bank's operation (notably Law 4548/2018, Law 4261/2014, Bank of Greece Governor's Act 2577/2006 and other regulatory Acts of the BoG and Law 3864/2010), as well as the best international corporate governance practices, is amending the Bank's Corporate Governance and Operation Regulation (henceforth "the Regulation"), which corresponds to the scale, nature, scope and complexity of its activities.

The Regulation and its appendices, which form integral parts thereof, constitutes an internal document of the Bank and is supplementary to the provisions of its Articles of Association, which hierarchically is the superior to Bank's Regulation. The main objectives of this Regulation are:

- i) to ensure the Bank's continued compliance with the laws and regulations governing its organization and operation and its activities;
- ii) to develop a self-regulating framework within the Bank by establishing binding rules for its administration, management and staff, which complement the provisions of the existing regulatory framework and are being established with a view to enhancing the Bank's sound and responsible management and operation;
- iii) to ensure transparency, integrity, functionality and efficiency of the existing system of the Bank's corporate governance and internal audit; and
- iv) to enhance confidence of its domestic and foreign investors, shareholders, employees and customers in the Bank.

It is noted that the Regulation shall not include an exhaustive account of all the principles and obligations observed by the Bank, pursuant to the legislative and regulatory provisions in force. The legislative/ regulatory obligations are captured in this Regulation in a descriptive manner. In any case, the legal/regulatory provisions prevail over these presents and any interpretation is made in the light of such provisions.

The Regulation outlines the policies and the operating framework of the Bank, while the operating instructions are detailed in individual policies, regulations, procedures and manuals maintained by each Bank unit. Such policies, regulations manuals and procedures describe rules, practices, instructions, roles, actions and controls that need to be observed/performed in the Bank's day-to-day business. They are issued and amended on the initiative of either the owner and/or the Group Organisation & Operation Quality unit. The procedures are laid down and standardised by the Group Organisation & Operation Quality, based on the methodology and standards of the special Process Management and Modelling System.

**Obligation to Abide by Regulation:** The Regulation applies to all employees of the Bank (including members of the Board of Directors) as well as to any other natural person or legal entity who cooperates with the Bank and has access to inside information, regardless of their status and position or the legal relationship (employment, project, mandate, service provision or other) with the Bank.

**Amendment/update procedure:** The Regulation and major amendments thereof are approved by the Bank's Board of Directors, except where explicitly specified otherwise in the Regulation itself. In the event of non-material changes or amendments to policies or the internal organisation of the Bank, all required adjustments are incorporated into the Regulation, care of the Group Corporate Governance and Organisation & Operation Quality units.

The Regulation and its Appendices shall be amended, as necessary, so that they are always up to date, in particular due to changes that may occur in the applicable institutional framework or in the Bank's operational needs. The Regulation, as in effect from time to time, shall automatically replace any previous different decision or circular.

The Group Organisation & Operation Quality is responsible to maintain and constantly update the Regulation and create revisions sheet, which will be incorporated in the Regulation.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	6 of 42



## 1. CORPORATE GOVERNANCE

### 1.1 General Meeting of Shareholders

The General Meeting of Shareholders is the supreme body of the Bank. The procedures and rules for General Meeting convocation, participation, decision-making and powers are regulated in detail by the Bank's articles of association and Law 4548/2018, which is complied with.

#### 1.1.1 Powers of the General Meeting

The General Meeting, in accordance with the provisions of article 117 of Law 4548/2018, as in force, is the only body competent to decide on:

- a) Amendments to the Articles of Association. Capital increases and reductions, ordinary or extraordinary, shall also be deemed as amendments;
- b) Election of the Board of Directors and auditors;
- c) Approval of the overall management according to article 108 of Law 4548/2018 and release of the auditors from liability;
- d) Approval of the annual and any consolidated Financial Statements;
- e) Distribution of the annual profits;
- f) Approval of fees or advances pursuant to Article 109 of Law 4548/2018;
- h) Merger, demerger, conversion, recovery, extension of the duration or dissolution of the Bank;
- i) Appointment of liquidators.

It is noted that the provisions of the paragraph above do not apply to:

- a) Capital increases or capital readjustments expressly assigned by law to the Board of Directors as well as increases imposed by provisions of other laws;
- b) The amendment or adaptation of provisions of the Articles of Association by the Board of Directors in cases expressly provided for by law;
- c) The election of directors in replacement of members who have resigned, passed away or lost their capacity in any other way, in compliance with Article 82 of Law 4548/2018;
- d) Payment of provisional dividends in accordance with paragraphs 1 and 2 of Article 162 of Law 4548/2018;
- e) Payment, in accordance with paragraph 3 of article 162 of Law 4548/2018, of profits or special reserves in the current financial year by decision of the Board of Directors, subject to publication.

#### 1.1.2 Convening of General Meeting

1.1.2.1 The General Meeting is held strictly at the Bank's registered seat or at the district of any other municipality within the prefecture of the registered seat or any other neighbouring municipality at least once (1) in each fiscal year, within the time-limit provided under law provisions applicable from time to time. The Board of Directors may convene an extraordinary meeting of shareholders when it so deems it appropriate or necessary. Furthermore, the General Meeting may be convened at the request of the minority shareholders according to para. 141 of Law 4548/2018. The statutory auditor of the Bank shall also have the right to request the convening of a General Meeting, by a request addressed to the Chairman of the Board of Directors, in accordance with paragraph 2, Article 121, of Law 4548/2018.

The General Meeting is convened at least twenty (20) days prior to the session (not including the days of invitation and session) by invitation of the Board of Directors to the shareholders. The invitation to the General Meeting shall include at least the information stipulated by law, including the exact address of the venue, the date and time of the meeting, the agenda items, the shareholders entitled to participate, precise instructions on how to participate, etc.

The invitation is published as soon as it is entered into the Bank's record in G.E.MI. In the event of iterative General Meeting, the invitation is announced as stipulated above at least ten (10) days before it convenes. No further invitation is required to be communicated provided that the original invitation set out the place and time of the reiterative meeting, if no quorum is reached, on condition that the cancelled and the reiterative meeting are at least five (5) days apart.

1.1.2.2 The Board of Directors may determine that the General Meeting will not be held in a specific location but will meet remotely using electronic means in accordance with the provisions and conditions of applicable law from time to time. Moreover, the Board of Directors may determine that shareholders will participate in the voting on the items of the agenda by correspondence or through electronic means, in which case the voting will be held prior to the meeting in accordance with the provisions and conditions of applicable law from time to time. In any event, each shareholder may require the meeting to be held by video conference with regard to them, if they reside in a country other than that in which the General Meeting takes place, or if there is another important reason, in particular illness, disability or pandemic.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	7 of 42



### 1.1.3. Quorum and decision-making by the General Meeting

The General Meeting shall reach quorum and pass valid resolutions on the agenda items when shareholders of at least 1/5 of the paid-up capital are present or represented. If a quorum is not reached, the General Meeting shall convene again within twenty (20) days from the date of the cancelled meeting, provided that it is invited at least ten (10) days before. The first reiterative meeting shall be in quorum and pass valid resolutions on the items of the original agenda regardless of the represented portion of the paid-up share capital.

By way of exception, for resolutions regarding a change in the Bank's nationality or augmented obligations of the shareholders, increase in the share capital not provided for by the Articles of Association, in accordance with paragraphs 1 and 2 of Article 24 of Law 4548/2018, unless imposed by law or carried out through capitalization of reserves, reduction in the share capital, unless it is performed under paragraph 5 of Article 21 or paragraph 6 of Article 49 of Law 4548/2018, change in the way profits are distributed, merger, split, conversion, revival, extension of its duration or dissolution of the Bank, granting or renewal of power to the Board of Directors to increase capital, in accordance with paragraph 1 of Article 24 of Law 4548/2018, as well as in any other case specified in the law, the meeting shall be in quorum and pass valid resolutions on the items of the agenda, when shareholders holding half (1/2) of the paid-up share capital are present or represented.

If a quorum is not reached at the reiterative meeting, the General Meeting shall be quorum and pass valid resolution on the above items of the original agenda when at least 1/3 of the paid-up share capital is represented. In order pass a resolution on a share capital increase, the reiterative General Meeting shall be in quorum, when shareholders holding at least one third (1/3) of the paid-up share capital are present or represented therein.

The resolutions of the General Meeting shall be passed by absolute majority of the votes represented therein. By way of exception, the resolution laid down in para. 3 of article 130 of Law 4548/2018 shall be passed by majority of 2/3 of the votes represented at the meeting.

### 1.1.4. Right to participate and vote

Every shareholder who has and proves this capacity on the day of the General Meeting shall have the right to participate therein. Shareholders who are legal entities shall participate in the General Meeting by their proxies. Shareholder capacity shall be proved via any legal means.

### 1.1.5. Procedure for participation and voting by proxy

Shareholders participate in the General Meeting in person or by a duly authorised proxy, appointed and revoked in accordance with applicable law provisions from time to time. Notice of the appointment or revocation of a shareholder's proxy to the Bank may also be sent electronically, in particular by emailing the relevant documents to the email address referred to in the notice to shareholders to attend the General Meeting.

### 1.1.6. Minority and controlling interest

Pursuant to Law 4548/2018 and the terms and conditions stipulated therein, at the request of shareholders representing at least one twentieth (1/20) of the Bank's paid-up share capital:

- a) the Board of Directors shall convene an extraordinary General Meeting of Shareholders, specifying the date of such meeting, which shall not be longer than forty-five (45) days from the date of service of the request to the Chairman of the Board of Directors.
- b) The Board of Directors shall be obliged to enter additional items to the agenda of a General Meeting which has already been convened, if the relevant request is received by Board of Directors within at least fifteen (15) days prior to the General Meeting. If these additional items are not published, as described above, the requesting shareholders shall be entitled to request the postponement of the General Meeting, in accordance with paragraph 5 of Article 141 of Law 4548/2018, and publish them themselves, at the expense of the Bank.
- c) The Chair of the General Meeting shall be obliged to adjourn only once the passing of resolutions by the ordinary or extraordinary General Meeting, on all or certain items, setting a date for the resumption of the meeting, as specified in the request of shareholders, which may not be more than twenty (20) days from the date of the adjournment.
- d) The Board of Directors is obliged to provide the General Meeting with the requested specific information on the Bank's affairs, to the extent that these are useful for the actual assessment of the items on the agenda.
- e) The Board of Directors is obliged to announce to the General Meeting, provided it is an ordinary General Meeting, the amounts paid over the last two years to each member of the Board of Directors or management executives of the Bank, as well as any benefit to such persons from any cause or contract of the Bank with them.
- f) such shareholders shall have the right to request an open vote at the General Meeting on any item or items on the agenda.
- g) Shareholders are entitled to request an extraordinary audit of the Bank by the court, judging in ex parte jurisdiction, if there are suspicions of acts that violate the provisions of the law or the Bank's Articles of Association or General Meeting resolutions.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	8 of 42





### Right of shareholders representing at least one tenth (1/10) of the Bank's paid-up share capital

Pursuant to Law 4548/2018 and the terms and conditions stipulated therein, at the request of shareholders representing at least one tenth (1/10) of the Bank's paid-up share capital, the Board of Directors is obliged to provide the General Meeting with information on the progress of corporate affairs and the assets of the Bank, provided that the request is submitted at least five (5) full days prior to the General Meeting.

### Right of shareholders representing at least one fifth (1/5) of the Bank's paid-up share capital

Shareholders, representing at least one fifth (1/5) of the paid-up share capital, may request control of the Bank from the court, if, given the overall progress of the Bank, but also based on specific indications, it is believed that management of corporate affairs is not exercised as required by sound and prudent management.

### Right of each shareholder

At the request of any shareholder, submitted to the Bank at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide the General Meeting with the requested specific information on the Bank's affairs, insofar as this is relevant to the items on the agenda. There is no obligation to provide information when the relevant information is already available on the Bank's website, in particular in the form of questions and answers.

At the request of any shareholder, submitted at any time, the Board of Directors must, within twenty (20) days, inform the shareholder of the amount of the Bank's share capital, the classes of issued shares and the number of shares per class, especially preferred stock, along with the rights that each class of shares provides, as well as any reserved shares, both in terms of their number and the limitations provided for. The shareholder shall also be entitled to be informed of the number and class of shares they own, as indicated in the shareholders' book. If the above information is already posted on the Bank's website, it is not required to be provided, but it should be indicated to the shareholder on which website they should search for it.

## 1.2 Board of Directors

**Composition:** According to the Bank's Articles of Association, the Board of Directors consists of nine (9) to fifteen (15) members. Pursuant to Article 10 of Law 3864/2010, the HFSF is represented by one member on the Board of Directors of the Bank.

**Election:** The Board of Directors submits to the General Meeting of Shareholders a list of candidates to be put to vote, after adequate and timely information to the shareholders regarding the profile of the candidates. The Board of Directors is elected by the General Meeting of the Bank's shareholders, which designates the independent non-executive members among them. During the election of Board members, the General Meeting may also elect non-shareholders of the Bank as members.

**Term of office:** The term of office of the members of the Board of Directors is three years (with the possibility of re-election).

**Nomination of Candidate Board Directors:** The Board of Directors has adopted a Nomination Policy. This policy is based on regulatory obligations and incorporates the most important relevant provisions of: (a) Law 4261/2014 and (b) EBA Guidelines on the assessment of the suitability of members of the Board of Directors, and takes into account best international practices. This policy describes in detail the general principles, the procedure as well as the criteria for the nomination of BoD candidates (excluding the HFSF Representative), including (a) suitability criteria (fit and proper); (b) criteria for the avoidance of conflict of interest; (c) criteria for the availability and time commitment for the Board work; (d) criteria concerning experience in the financial sector, the commitment to the implementation of internationally recognized best banking practices focusing on risk management, regulatory compliance and the Internal Control System (ICS), adequate knowledge of the regulatory and business context in which the Bank operates; and (e) criteria regarding the independence, morality and personality of the candidate.

More specifically, in order for the Board of Directors and the Nominations Committee to consider a person as a suitable candidate, they:

- (aa) must meet the suitability criteria (fit and proper) as defined under (a) below,
- (bb) may have no potential conflicts of interest with the Bank,
- (cc) must be able to commit sufficient time to the BoD of the Bank depending on the positions for which they are recommended,
- (dd) have one or more of the characteristics indicated in paragraph (d) below.

### (a) Suitability criteria (fit and proper)

1. Reputation, honesty and integrity : The candidate, based on their background, must be able to inspire the trust necessary to be a member of the highest management body of the Bank. The Nominations Committee ensures that all candidates are

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	9 of 42



irreproachable.

2. Previous experience: Candidates must have adequate experience and successful career in their line of business. They should also be able to document relevant previous work experience, which meets the requirements of this paragraph.

3. Independence of mind: The candidate should have the ability to form his or her own sound, objective and independent opinion and judgement on all matters dealt with by the Board. They must have courage, conviction and strength to ask questions and resist the phenomenon of 'group think' while maintaining the necessary team spirit avoiding tensions.

When assessing independence of mind, the Bank shall also assess whether the candidate has conflicts of interest to an extent that impedes his/her ability to perform his/her duties independently and objectively, in accordance with the Bank's Conflict of Interest Policy.

Being a shareholder, holding private accounts, having received loans or using other services of the Bank shall not in itself be considered to affect the candidate's independence of mind.

The Bank shall assess, in particular, whether the members: a. have a sufficiently good reputation; b. have sufficient knowledge, skills and experience to perform their duties; c. are able to act with honesty, integrity and independence of mind to effectively evaluate and challenge the management body's decisions under its executive mandate and other relevant management decisions where necessary, as well as to effectively oversee and monitor management decision-making; d. are able to commit sufficient time to performing their duties and respect the number of directorships that may be held under Article 91 (3) of Directive 2013/36/EU.

#### **(b) No conflict of interest – Director ineligibility**

The Nominations Committee ensures that that candidate Board member has no professional capacities that are incompatible with the role of the Director of the Bank, and that their personal, business and/or professional interests and relationships are not in conflict with the interests of the Bank or the Group, according to the provisions of this Regulation, Bank's Compliance Policy and the currently applicable legal and regulatory framework. All candidates must, prior to their final election, submit a statement that there shall be no case of potential conflict of interest with the Bank following their election as Directors.

#### **(c) Commitment of time**

All assessed persons must be able to dedicate sufficient time and energy to the performance of their duties. In the case of non-executive Directors, special attention should be paid to the number of directorships in other BoD and other engagements of theirs outside the Bank.

According to para. 3 of article 83 of Law 4261/2014 as amended and in force, Board members may not hold concurrently more than one of the following Board member positions:

- a) one executive and two non-executive Board directorships; and
- b) four non-executive directorships.

The following are reckoned as holding a position in a Board of Directors:

- a) executive or non-executive Board member positions within the same Group;
- b) positions of executive or non-executive BoD member within the framework of: aa) institutions which are members of the same institutional protection scheme in the meaning of Article 113 of Regulation (EU) No 575/2013, provided that the conditions set out in paragraph 7 of said Article are met or (bb) undertakings (including non-financial entities) in which the Bank has a qualifying holding.

Positions in management bodies of entities which do not pursue predominantly commercial objectives shall not be considered. Holding an additional non-executive Board member position may be allowed with the Bank of Greece's permission. The positions shall be calculated taking into account the relevant regulatory and legislative provisions.

The Bank has adopted an Attendance Policy for the Board of Directors' meetings which sets out the framework for the active and meaningful participation of Board members in the meetings.

#### **(d) Desired characteristics of Directors**

It is desirable that candidates have one or more of the following characteristics, and that the Board of Directors collectively fulfils the following characteristics:

- 1. Financial experience in the banking sector (FIE): Sufficient understanding of the banking operations (with emphasis on loans and NPL management), financial services sector and special features of financial institutions.
- 2. Financial experience: Sufficient understanding of auditing and accounting as well as financial information issues.
- 3. Strong commitment to the implementation of internationally recognised best banking practices with emphasis on corporate governance, risk management, compliance and internal control system,

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	10 of 42



4. Regulatory framework and governance: Sufficient knowledge of the prudential supervision regulatory framework (e.g. national and European financial sector), corporate governance issues and legal liabilities.
5. Risk Management: Ability to oversee the risk management framework including the risk management culture and risk appetite. Ability to identify, assess and rate the key risks faced by the Bank. Understanding of the fundamental issues pertaining to risk management and asset management.
6. Strategy: Understanding of the environment where the Bank operates, including the ability to recognise the interests of stakeholders (e.g. shareholders, Supervisory Authorities, employees), financial dependencies as well as other external influences on the organisation's capacity to achieve its targets.
7. Leadership: Experience in large Groups of companies (whether listed or not) operating in various sectors, preferably in leadership positions (e.g. Chairman, CEO or other senior management role).
8. Will to argue constructively during the decision making of the BoD: Will as well as moral and mental stature to constructively challenge the decisions and actions of the Bank's executive management, preserving at the same time the necessary team spirit and avoiding tensions.
9. Gender balance: Satisfactory gender balance in the composition of the Board of Directors, in accordance with the applicable regulatory framework.
10. Independence: In the event of an independent non-executive directorship, candidates must fulfil all the formal independence criteria under the law.

Additional criteria for non-executive Directors: Persons to be assessed for non-executive Directors must additionally be willing to enter into a full-time employment or service delivery contract with the Bank. They must have also proved, both in the proposed/current and past posts, that they have the experience, ability and integrity as executive directors to lead the Bank (and its Group) to the achievement of its strategic targets.

#### **Required qualifications of Board members under Law 3864/2010, as in force**

According to the provisions of Law 3864/2010 as in force and for as long as the Bank is subject to the provisions of said law, the members of the Board of Directors and its Committees must include the following as a minimum:

- a) no member should have undertaken in the four (4) years prior to their appointment any prominent public position, such as Head of State or Government, senior political official, senior government, judicial, military officer or any major post as a senior official in any public undertaking or political party;
- (b) Each member must disclose all financial relations with the Bank prior to their appointment. Any conviction or prosecution by an irrevocable decision for offences related to financial crime shall constitute grounds for termination of the member's term of office.

#### **Collective suitability of Board Members**

The Bank's Board of Directors, as a whole, has sufficient knowledge of and experience in core business of the Bank as a minimum, including the main risks to which it is or may be exposed, in order to be able to exercise supervision over all its operations either directly or through its competent Committees.

In order to enhance the transparency of the Bank's management and avoid conflicts of duties and incompatible roles, the Bank adopts best international practices and principles of corporate governance concerning, inter alia, the separation of executive and supervisory responsibilities of the Board of Directors' members.

#### **Diversity of Board members**

Recognizing the importance and benefits of diversity for maintaining and enhancing competitiveness and innovation as well as for achieving maximum team effectiveness and performance, when appointing Board members or senior managers the Bank considers a combination of elements including, inter alia, skills, competences, qualifications, experience, professional and educational background, gender, age and other qualities, which vary according to the Bank's operational and strategic needs. The Board of Directors, pursuant to legislative obligations and best corporate governance principles, implements, alongside the Nomination Policy, a Diversity Policy which includes an individual Policy to enhance the presence of the under-represented gender.

#### **Executive, non-executive and independent members**

The Board of Directors is made up of executive and non-executive members, including independent non-executive members. Executive members have executive responsibilities in relation to the management of the Bank in the context of the duties assigned to them by the Board of Directors. Non-executive members do not have executive responsibilities and shall be entrusted with the systematic supervision and monitoring of management decision-making.

At least two (2) members of the Board of Directors must be executive.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	11 of 42



Any derogation from the above stratification of the Board of Directors' composition shall not affect the lawful formation and validity of the Board's resolutions provided that it does not contravene any explicit provision of law or the Articles of Association.

**Independence criteria:** For the purpose of considering a member as independent, account shall be taken of the provisions of the legislative and regulatory framework, as applicable.

### **Procedure for notifying the existence of dependency relationships between the independent members of the Board of Directors and the closely related persons**

Before their appointment or election to the Board of Directors, all Board of Directors candidates are invited, as part of an assessment of their suitability by the Nominations Committee, to disclose any dependency relationship that they, or persons with whom they are closely related, may have.

Once appointed/elected to the Board of Directors independent non-executive members will receive a "Declaration of Independence" from the Group Corporate Governance Unit.

In addition, BoD members are required to complete an independence questionnaire every year. The completed questionnaires shall be collected by the Group Corporate Governance Unit and subsequently brought to the attention of the Nominations Committee, which assesses the members' independence as part its duties defined in its Rules of Procedure.

### **Succession of Board members**

The succession planning of Board members is an ongoing and dynamic process, primarily aimed at ensuring the smooth succession of the Bank's Board members, as well as continuity in administrative decision-making, by maintaining normal conditions within the Bank.

The Board of Directors ensures, with the assistance of the Nominations Committee, the appropriate succession plan for the smooth continuation of its management and decision-making following planned or unexpected retirements of Board members. In this context, a Succession Planning Policy for Board members and a Succession Planning Process of the CEO have been adopted.

### **Board members induction and other training programs**

The Bank provides induction training for newly elected/ newly appointed Board members in order to facilitate the Board members' understanding of the Group's and the Bank's structure, business model, risk profile, governance arrangements and their role in them. In this context, the Bank shall ensure that they receive all the information and training necessary to contribute effectively to the work of the Board of Directors and the fulfilment of its mission.

Immediately after the election of a new member by the General Meeting of Shareholders or their appointment by the Board of Directors, the members receive a detailed induction package (a "dynamic" document providing them with broad information on the Bank and the Board of Directors, containing the Articles of Association, the Internal Regulation, information on the obligations arising from their directorship, the annual schedule of the Board of Directors' meetings, etc.).

Prior to their first participation in a Board of Directors' meeting, the members are admitted by the Chairman of the Board and meet with the Chief Executive Officer and senior management of the Bank and are given the possibility to raise questions about the Bank and its activities. The new members also receive briefing on matters that the Board of Directors is facing at this point in time or will face in the future. In the event of more than one new member, an induction training may be organised for all new members.

Training is a key factor for the Board of Directors' continued effectiveness and an ongoing commitment of members and the Bank. The Bank makes the necessary financial and human resources available to enable the implementation of induction and continuous training, customised to the needs of each member. The Corporate Secretary, in collaboration with Group Human Resources, is responsible for the development of the annual training programme. The Board of Directors' Nominations Committee grants and supervises the training program for Board of Directors on an ongoing basis. In addition, presentations are made on a regular basis to the Board of Directors' members by the Bank's staff and executives in order to be informed of changes concerning the Bank, the legal and regulatory framework, the market requirements and the industry. Moreover, once a year, Board of Director's members shall attend Strategy Days, where senior management executives present the results, goals and challenges faced by the organization. Where necessary, personalised training courses shall be designed and implemented.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	12 of 42



### 1.2.1. Operation of the Board of Directors

#### Constitution

The Board of Directors shall meet immediately upon its election and shall be constituted in a body by electing a Chairman (if not already appointed by the General Meeting) and one or more Vice-Chairmen and Managing or Executive Directors from among its members.

#### Replacement of Board members and the Chairman

The Board of Directors may replace the Chairman and their alternate at any time. If these persons have been appointed by the General Meeting, their replacement by the Board of Directors shall be by a two-thirds majority (2/3) of all members.

If a member of the Board of Directors resigns, passes away or otherwise forfeits their capacity, or is disqualified by decision of the Board for unjustified absence from the meetings for three consecutive months, the Board of Directors may elect members in replacement of those who have retired, or continue to manage and represent the Bank without filling in the vacancy, provided that the remaining members are at least nine (9).

#### Role and required qualities of the Chairman

In accordance with the provisions of the applicable legislative and regulatory framework, the Chairman of the BoD shall not at the same time act as CEO of the Bank, unless, exceptionally, permission has been obtained from the Bank of Greece.

The Chairman plays a key role in Corporate Governance, including the following:

- heads the BoD;
- has the powers to set the agenda for Board meetings and ensures that strategy issues are discussed as a matter of priority in the decision-making process; ensures that decisions are taken on the basis of correct and sufficient information and that documents and information are sent to members in a timely manner prior to the scheduled meeting;
- ensures, with the assistance of the Corporate Secretary, the proper organization of the BoD's work, but also the efficient conduct of its meetings;
- contributes to a clear division of tasks between the members of the Board of Directors and to ensuring an efficient flow of information between them in order to enable non-executive members to contribute constructively to the discussions and to exercise their right to vote on a sound basis and having received adequate information;
- ensures that members of the Board of Directors receive timely and correct information, and ensures the Board's effective communication with all shareholders, based on fair and equal treatment of the interests of all shareholders;
- encourages and fosters open and constructive discussion with critical thinking and ensures that divergent/opposing views are expressed and discussed during the decision-making process;
- facilitates the effective participation of non-executive Board members in its work and ensures constructive relations between executive and non-executive Board members. In this context, it cooperates, if necessary, with the CEO on issues related to the Group's strategy;
- supervises the work of the Corporate Secretary which includes ensuring smooth flow of information between the BoD and its Committees, as well as between senior management and the BoD;
- coordinates the evaluation process of the Board of Directors and of its individual Committees, and ensures that any necessary corrective actions are taken, in accordance with the specific provisions of the BoD and BoD Committees Self-Assessment Policy.

When absent or prevented from attending, the Chairman shall be substituted by one of the Vice-Chairmen who in turn shall be substituted by another member appointed by the Board of Directors (BoD). Such substitution shall solely be limited to the exercise of the powers of the BoD Chairman.

#### Convening – Meetings

The Board of Directors shall be convened by its Chairman or his substitute, and meets at the Bank's registered seat or by teleconference at least once a month. The Board of Directors may validly meet at any other place in Greece or abroad where the Bank pursues business activities or has a subsidiary (an affiliate) financial institution. The Board of Directors may hold its meetings by teleconference for some and/or all of its members.

The convening of the Board of Directors may be requested by at least two (2) of its members at their request to the Board Chairman or his alternate; the latter shall be required to convene the Board in time for it to meet within seven (7) days from submission of the request.

At the beginning of the year, the Board of Directors shall adopt an annual schedule of meetings.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	13 of 42





The Bank has adopted an Attendance Policy for BoD meetings which sets out procedures for the attendance and substitution of BoD members at BoD meetings.

Upon invitation by the Chairman, BoD meetings may be attended by executives and employees of the Bank or the Group. The Chairman shall have the right to order any non-member to leave a meeting at any time.

### Representation

A Board member may be represented at the meetings only by another Board member, authorised by a letter (including by email), telegram or telefax. Each member of the Board of Directors may only represent one other member.

### Decision-making/Quorum, Majority

1. The Board of Directors is in quorum and duly meeting if at least half plus one of its members are present in person or by proxy, however the number of members attending in person cannot be less than five (5). For the purpose of calculating the quorum, any fraction shall be omitted. Where a Board meeting is held by teleconference, the members participating in the teleconference shall be considered to physically attend the meeting.

2. Board of Directors' resolutions shall be adopted by absolute majority of the members attending in person or by proxy, except if otherwise provided by the law or these Articles.

The preparation and signing of minutes by all BoD members or their representatives shall be equivalent to a BoD resolution even if no meeting has been previously held.

### Keeping of Minutes - Copies

Board of Directors' discussions and resolutions shall be recorded in summary in a special book which may also be kept in electronic form. Board of Directors' minutes shall be signed by attending members. The views of the minority should be recorded in case of non-unanimous decisions. In case a member refuses to sign, this shall be recorded in the minutes. The signatures of Board of Directors' members or of their proxies may be replaced by exchanging messages through email or telefax, according to applicable laws. Copies or excerpts of the Board of Directors' minutes shall be officially issued by the Chairman, his substitute or any other person appointed by resolution of the Board of Directors, without any further validation being required.

### Corporate Secretary

The work of the Board of Directors shall be supported by a capable, specialized and experienced Corporate Secretary, appointed by the BoD to attend its meetings. The Corporate Secretary shall provide practical support to the Chairman and other BoD members, collectively and individually, based on the compliance of the BoD in accordance with the applicable legislative and regulatory framework and the internal rules of the Bank. The responsibilities of the Corporate Secretary shall include the assurance of the good flow of information between the BoD and its Committees, as well as between top management and the BoD. The responsibilities of the Corporate Secretary also include the implementation of the Introductory Information Program of BoD members, which is prepared in cooperation with the competent units of the Bank, as well as ensuring continuous information on issues related to the Bank and their obligations arising from their participation in the Bank's Board of Directors. In addition, the Corporate Secretary shall ensure that the Board of Directors' composition is in line with the effective institutional framework. The Corporate Secretary shall be appointed and recalled by virtue of a BoD resolution.

### Assessment of the Board of Directors

With the assistance of the Nominations Committee, the BoD shall regularly (and annually as a minimum), assess its structure, composition, operation and efficiency, in accordance with the specific provisions of the BoD and BoD Committees Self-Assessment Policy. Following a relevant recommendation of the Nominations Committee, the BoD may periodically delegate its evaluation tasks to third parties.

### Special rights of the HFSF Representative

According to the provisions of Law 3864/2010 as in force, the HFSF Representative to the Bank's Board of Directors has the following special rights:

(a) the right of veto to any resolution of the Bank's Board of Directors:

i. regarding dividend distribution and the policy on benefits and bonuses to the Chairman, the CEO and the other members of the Board of Directors, as well as to those who hold the position or perform the duties of general manager, and to their alternates, for credit institutions whose ratio of non-performing loans to total loans, calculated in accordance with Article 11, item 2 (g) (ii) of the Commission Implementing Regulation (EU) 2021/451 of 17 December 2020, exceeds 10%; or

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	14 of 42



ii. concerning a decision to amend the Articles of Association, including any share capital increase or decrease or granting relevant authorisation to the Board of Directors, merger, division, conversion, revival, extension of the duration or dissolution of the company, transfer of assets, including the sale of subsidiaries, or any other matter requiring a qualified majority as set out in Law 4548/2018, and which decision may significantly affect the Fund's holding in the share capital of the Bank.

(b) the right to request that a Board of Directors' meeting be postponed by three business days in order to receive instructions from the Fund's CEO. The said right may be exercised no later than the end of the BoD meeting;

(c) the right to request the convening of the Board of Directors;

In performing his/her duties, the HFSF Representative shall take into account the Bank's business autonomy.

### Policies of the Board of Directors

The operation of the Board of Directors is also governed by individually adopted Policies including, but not limited to, the following:

- Attendance policy
- Board of Directors, Directors and Committees Self-Assessment Policy
- Nomination Policy
- Diversity Policy
- Induction and Training Policy

### Committees of the Board of Directors

The BoD shall set up standing or temporary Committees to assist in carrying out its tasks, facilitate its activities and effectively support decision-making.

Subject to specific contrary legal provisions, Committee members shall be appointed by the Board of Directors upon a relevant recommendation of the BoD Nominations Committee. The BoD Chairman may attend meetings of the Committees.

The main mission of the Committees is to examine issues within their competence, prepare draft decisions for approval by the BoD and submit relevant updates, reports, key information and recommendations to the Board of Directors. Committees shall regularly report to the Board of Directors on their work through their Chairmen.

In compliance with the applicable legislative and regulatory framework and/or in order to continuously improve the Bank's and the Group's organizational structure, specific tasks have been assigned to the following main Committees.

- Audit Committee (in accordance with article 44 of Law 4449/2017, the provisions of Bank of Greece Governor's Act 2577/2006, the relevant EBA guidelines)
- Risk Committee (in accordance with Law 4261/2014, Bank of Greece Governor's Act 2577/2006 and the relevant EBA guidelines)
- Nominations Committee (in accordance with Law 4261/2014 and the relevant EBA guidelines)
- Remuneration Committee (in accordance with Law 4261/2014, the provisions of Bank of Greece Governor's Act 2577/2006 and the relevant EBA guidelines)
- Strategy Committee

The duties, composition and operation of the Committees are regulated by their rules of procedure which is approved by the Bank's Board of Directors and are set out in Appendix 03 "Rules of Procedure of BoD Committees and other Executive & Administrative Committees and Boards" hereto.

In addition to its standing Committees, the Board of Directors shall have the right, should it deem it necessary or appropriate, to set up new permanent or ad hoc committees whereby this Regulation shall be ipso jure amended by such resolutions.

#### 1.2.2. Duties / Responsibilities of the BoD Members

The main duty and responsibility of the BoD Members shall be to constantly seek to enhance the Bank's long-term economic value and to advocate the general corporate interest. The BoD is responsible for developing and approving a documented corporate strategy with a time frame of at least one year and sets clear business aims for both the Bank and Group.

### Duty of Loyalty - Conflict of Interest - Non-Compete Rule

The Board of Directors' members and any third person to whom the BoD delegates its responsibilities have a duty of loyalty towards the Bank. They shall in particular:

a) not pursue own interests contrary to the interests of the Bank;

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	15 of 42



- b) disclose to BoD members, adequately and in time, any own interests which might arise from Bank's transactions under their responsibilities, as well as any other conflict of own interests with those of the Bank or any company affiliated therewith, in the sense of article 32 of Law 4308/2014, which may arise while exercising their responsibilities;
- c) maintain strict confidentiality as regards the Bank's corporate affairs and secrets which may have become known to them due to their capacity as BoD members;
- d) not act for their own account or on behalf of third parties for the purposes of the Bank or participate as general partners or sole shareholders or partners in companies pursuing such purposes;
- e) not use in the performance of their duties any information that comes to their knowledge for the purpose of conducting transactions by themselves or by third parties on shares or other financial instruments of the Bank. To this end, BoD members and their related parties shall carry out transactions in securities of the Bank or of other Group companies in accordance with the conditions set out in the law and the relevant Policies of the Bank.

Board of Directors' members shall not be entitled to vote on matters involving a conflict of interest between them or their related parties and the Bank.

In addition to the above, Board of Directors' members must obtain prior authorization from the BoD before accepting positions as Board members or general managers, or managing directors in a company outside the Bank Group. Such authorization is not required for Board of Directors' members who, at the time of their appointment, have notified the Bank's Board of Directors of the fact that they hold one or more of the above positions.

In case, however, the company in which a Board of Directors' member wishes to participate as a shareholder or accept a position as a member of the Board of Directors or General Manager or CEO conducts activities competitive with the Bank activities and, thus, pursues the same objectives as the Bank, prior approval of the Bank's General Meeting of Shareholders shall be required.

Particular reference is made to measures for the avoidance of conflicts of interest in the adopted Compliance Policy of the Bank, with which BoD members must comply.

### 1.2.3. Responsibilities of the Board of Directors and its Members

1. The Board of Directors manages the Bank, represents it in court judicially and extra-judicially and develops the strategic orientation. In discharging its duties and obligations, the Board of Directors exercises prudent business judgement in pursuing the interests of the Bank's shareholders, its employees, and the civic utility of its actions. Decisions which are critical to the Bank and the Group, in particular those ensuring an effective organisational structure and Internal Control System and the determination of the Bank's business strategy shall be made at Board level. In particular, the Board of Directors shall have, inter alia, the following responsibilities:

- i. identifies and reassesses the overall business strategy and orientation of the Bank and the Group, in accordance with the applicable legal and regulatory framework, considering the long-term financial interests and solvency of the Bank;
- ii. defines key strategic objectives and action plans for their implementation, and make decisions on significant capital expenditure, acquisitions, mergers and de-mergers;
- iii. is responsible for the implementation of the Group's NPE management strategy;
- iv. establishes policies intended to ensure an adequate and effective Internal Control System and compliance with the applicable institutional and regulatory framework;
- v. ensures the existence of formal procedures for the timely detection and effective handling of emergency situations that may jeopardize the Bank's smooth operation; furthermore, it ensures the restoration and uninterrupted continuation of the Bank's operation;
- vi. ensures that appropriate strategies and policies are established to manage the risks assumed by the Bank (including liquidity risk) by defining the respective maximum acceptable risk limits, and forms a suitable internal environment for ensuring that every Bank officer and employee is aware of the nature of the risks associated with their activities as part of their duties, that they recognise the need for dealing with such risks in a timely and effective manner, and that they facilitate the implementation of internal audit procedures set by the Bank's Management. In this context and at least on a quarterly basis, it receives reports and consults on principal risks, changes in the Bank's risk profile, pursued objectives and risk appetite;
- vii. revises and approves the risk management and risk appetite strategy at least on an annual basis following a relevant recommendation and approval by the Risk Committee and ensures that such recommendation and approval are consistent with the Bank's overall business strategy, budget and capital and financing plan;
- viii. arranges for the design, recording, periodic reassessment and monitoring of the implementation of the Bank's Internal Capital Adequacy Assessment Process (ICAAP), under which targets are set for the Bank's capital requirements, corresponding to current or potential risks at individual and Group level and its operating environment, and policies are established regarding the amount, management and allocation of its funds in relation to the said risks;

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	16 of 42





- ix. ensures that the Bank's operation complies with the current institutional framework, internal regulations and corporate governance policies and principles, the agreed risk management strategy and risk profile of the Bank and provides Management and operational units of the Bank with authority and resources to discharge their duties;
  - x. ensures accuracy and reliability of the Bank's and Group's published annual and interim financial statements, on individual and consolidated basis respectively, the corporate governance statement, as well as of the information submitted to the Bank of Greece and other supervisory authorities;
  - xi. defines the corporate governance framework and oversees its implementation. In addition, it periodically monitors and evaluates (at least every 3 financial years) its implementation and effectiveness, taking appropriate action to address any shortcomings. Approves important corporate governance policies and other significant policies;
  - xii. monitors and periodically reviews the effectiveness of the Bank's and the Group's internal corporate governance regulations, policies and practices and makes the necessary amendments to them to address any deficiencies identified;
  - xiii. replaces members, as required, prepares the succession planning, and ensures transparency in the process of proposing the election of new Board of Directors' members;
  - xiv. supervises the work of senior managers, examining all strategic options, risk management strategies and important operational issues of the Bank;
  - xv. monitors, at least on a quarterly basis, that the Group Executive Committee and the CEO act within the framework of the Bank's business strategy and risk and capital strategy;
  - xvi. determines, through the Remunerations Committee, the remunerations of BoD members based on the long-term interests of the Bank and its shareholders and proposes such remunerations to the Ordinary General Meeting;
  - xvii. supervises the implementation of the conflicts of interest policy at Group lever and resolves potential conflicts of interest of Managers and shareholders, including mismanagement or misuse of assets;
  - xviii. authorizes, where required by the applicable legal framework or internal procedures, transactions with related parties and provides for their legal disclosure (where required);
    - xix. oversees the disclosure procedures and communications to external stakeholders and competent authorities;
    - xx. supervises the implementation of corporate culture and values that promote responsible and ethical behaviour and establishes a code of conduct that governs all its activities;
    - xxi. issues and approves the Bank's Regulation as well as any amendments thereto;
    - xxii. decides on any other matter provided for under legal and regulatory provisions.
2. The Board of Directors may delegate the exercise of certain of its responsibilities not requiring collective action to the Group Executive Committee and other management committees, the responsibilities of which are described in Annex 3.

### Responsibilities of BoD executive members

The responsibilities of BoD executive members shall be in particular to:

- i) constantly seek to strengthen the long-term financial value of the Bank and advocate the general corporate interest;
- ii) develop, implement and communicate the policies and action plans in accordance with the relevant Board of Directors' resolutions;
- iii) consistently implement the Bank's business strategy approved by the BoD by making effective use of available resources and further elaborate it by formulating appropriate policies for each individual operation and activity of the Bank, and by setting clear objectives and business plans for each individual unit, management body and senior management executive of the Bank;
- iv) implement the Risk Strategy approved by the Board of Directors;
- v) define individual limits and responsibilities of each of the Bank's units as regards risk management and constantly evaluating the performance of such units;
- vi) systematically monitor, on an annual basis, the management of the risks assumed by the Bank within the limits approved by the Board of Directors, and constantly ensure that senior managers take all the necessary measures to effectively manage assumed risks in accordance with the relevant approved policy;
- vii) ensure effective implementation of Bank's Internal Control System, by developing and incorporating appropriate internal controls and procedures and regularly review such controls and any major (in terms of impact) dysfunctions which may arise;
- viii) ensure regular communication with customers, investors, employees, supervisory authorities, the public and other stakeholders;
- ix) regularly consult with non-executive BoD members on the appropriateness of the implemented strategy;
- x) inform the BoD in writing without undue delay, either jointly or separately, by submitting a relevant report with their

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	17 of 42



assessments and proposals in crisis or risk situations as well as when circumstances require the adoption of measures that are expected to significantly affect the Bank, and when decisions are to be made regarding the evolution of the business activity and any assumed risks that are expected to affect the Bank's financial standing;

- xi) account for the work performed in their fields of responsibility, and update the Board of Directors;
- xii) ensure the completeness and reliability of the data and information required for the accurate and timely assessment of the Bank's financial standing;
- xiii) comply with the institutional framework governing the Bank's operation;
- xiv) represent the Bank vis-à-vis third parties in accordance with the BoD resolutions; and
- xv) implement the resolutions of the General Meeting.

### Responsibilities of the Chief Executive Officer (CEO)

The responsibilities of the CEO include in particular the following:

- i) responsibility for the Bank's operation for the purpose of attaining the strategic objectives set by the BoD. To this end, the BoD confers upon the CEO wide-ranging powers which the CEO shall exercise under the control of the BoD;
- ii) submission of proposals to the BoD on Bank strategy issues, including the annual budget. The CEO is accountable to the BoD in relation to the achievement of the specific objectives set and his/her overall performance as leader of the Bank's executives and human resources;
- iii) coordinating the competent executives to formulate proposals to the Risk Committee and the BoD regarding the Bank's overall risk appetite, with a view to protecting customers and counterparties, as well as regularly monitoring the level of assumed risks in the context of the implementing the risk appetite agreed by the BoD;
- iv) managing the day-to-day business of the Bank either by making timely decisions or by providing instructions and advice to the Bank's executives in relation to all important issues handled by the Bank. To this end, the CEO chairs the Executive Committee;
- v) leading the Bank's executives, supervising the effective assessment and reward of their performance, building a high-level leadership team in the Bank and submitting relevant proposals to the Remunerations Committee and the BoD regarding the appointment and remuneration of other senior executives of the Bank;
- vi) maintaining close contact with employees, with a view to creating an environment of mutual trust based on their fair and equitable treatment.;
- vii) ensuring an adequate internal control, risk management and regulatory compliance system;
- viii) In cooperation with the Chairman, ensuring full and timely provision of information to the BoD on all issues handled by the latter;
- ix) presenting to and discussing with the Chairman, the shareholders and other interested parties the performance, strategic objectives and other important issues concerning them, as well as properly and timely informing markets and supervisory authorities on the Bank's results and any other event which is subject to disclosure requirements according to the law.

### Responsibilities of non-executive and independent non-executive BoD members

The responsibilities of the non-executive and independent non-executive Board members shall be to:

- i) constantly seek to enhance the Bank's long-term economic value and to protect the Bank's general interest, supervise decision-making and measures, and ensure effective supervision of executive members, including monitoring and reviewing their performance at individual and collective level, as well as the implementation of the Bank's strategy and objectives;
- ii) constructively review and critically assess the proposals and information provided by executive members, as well as their decisions;
- iii) oversee and monitor the consistent implementation of the business strategy, the strategic objectives and the approved risk strategy, including risk appetite and risk the management framework, as well as other policies (e.g. Remuneration Policy) and the disclosure framework;
- iv) oversee the integrity of financial information and reporting;
- v) ensure and periodically evaluate the effectiveness of the internal governance framework and act appropriately to address any identified deficiencies;
- vi) monitor the consistent implementation and operation of the Internal Control System, including the framework for effective and sound risk management; ensure that the heads of the IAS functions are able to act independently and, irrespective of the responsibility to report to other internal bodies, business sectors or units, be able to express concerns and directly warn non-executive BoD members, if necessary, in the event that the Bank is or may be affected by adverse developments regarding risk;

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	18 of 42



- vii) monitor the provision of systematic and continuous internal and external communication;
- viii) monitor the consistent implementation of the strategy for managing NPLs and loans in arrears;
- ix) adopt and regularly review the general principles of the remuneration policy and monitor the implementation of the said policy;
- x) ensure that the business planning for the attainment of corporate goals complies with the resolutions of the General Meeting and the BoD;
- xi) oversee the implementation of and adherence to the Code of Conduct and effective policies to identify, manage and mitigate actual and potential conflicts of interest.

#### 1.2.4. BoD Member's Fees and Compensations

1. Upon recommendation of the Remunerations Committee, the BoD formulates the proposal to be submitted to the General Meeting of Shareholders regarding the remunerations of its members.
2. Any remuneration paid by the Bank to Board of Directors' members shall be determined by the BoD Members' Remunerations Policy, while being consistent with the Group's overall HR Strategy and the Principles of the Group Remuneration Policy. For the payment of fees to the BoD account is taken of the banking legislation concerning staff members whose professional activities have a material impact on the Group's risk profile (Material Risk Takers); such staff members constitute a broad group of employees identified by applying both qualitative and quantitative criteria.
3. Non-Executive BoD members, including the Chairman, receive an annual remuneration provided for BoD members plus an additional fee for their participation in BoD Committees in their capacity as members or Chairman. Fees shall be paid in cash and shall be subject to regular review to ensure their adequacy to attract high-potential individuals having the appropriate level of qualifications and experience; such fees shall allow the said individuals to offer the required contribution, commitment and time to the Board.
4. Executive BoD members receive a fixed remuneration, paid in cash, on a monthly basis. The Bank has developed a fixed remuneration framework, which defines the structure and scope of remuneration, in order to attract and retain talent with reference to their seniority (as evidenced by the criticality of the position), as well as to external correlations based on market research. The Bank aspires to offer competitive and fair remuneration and benefit packages to the executive Board members (including insurance schemes) and cover professional expenses, fully in line with the relevant market practice. Benefits may include (without being limited to) health plans, life/accident plans, childcare plans, pension schemes provided to all staff, optional pension benefits, company car. The Bank shall provide pension benefits to all employees, through a defined contribution scheme, in addition to the statutory social security contribution. The Chairman and the Executive BoD members Directors may participate in the above. The Bank shall cover business travel, accommodation and other expenses incurred by Non-Executive BoD members within reasonable limits during the Bank's operations.
5. Variable remuneration constitutes an important part of the remuneration of the Executive Board members, as it enhances the incentive to promote the Bank in the strategic direction adopted by the BoD and in line with the shareholders' interests. Non-Executive BoD members shall not receive variable fees.
6. Contracts with BoD members, reviewed on a case-by-case basis, may include special terms providing for specific severance pay as approved by the Shareholders' General Meeting. In addition, contracts with BoD members may be terminated for a serious reason, without any obligation to pay compensation and without prior notice. In any event, severance payments should comply with the limitations set out in the regulatory framework.
7. The Remunerations Committee, assisted by all competent units and external consultants (if necessary), and in cooperation with other BoD Committees where required, designs the BoD Members' Remuneration Policy of the Group and the respective practices, taking into account the Bank's long-term objectives and values, and the long-term interests of shareholders, investors and other stakeholders. The Remunerations Committee subsequently prepares its recommendations which are submitted for approval to the Non-executive BoD Members.
8. Transparency of BoD remuneration: The Bank shall comply with the transparency requirements on remuneration provided for by the applicable regulatory framework, as in force.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	19 of 42



## 2. INTERNAL CONTROL SYSTEM (ICS)

An important task for Piraeus Bank is to develop and constantly upgrade, at individual and Group level, its Internal Control System which is a set of adequately documented and detailed controls and procedures, incorporates the best principles of corporate governance and covers on an ongoing basis every activity and transaction of the Bank, contributing to its efficient and safe operation. The objectives of the Internal Control System include the following, in particular:

- consistent implementation of the business strategy of the Bank and its Group through the effective use of available resources;
- identifying and managing the risks taken or potential risks;
- ensuring the completeness and reliability of the data necessary for the preparation of reliable financial statements in accordance with International Financial Reporting Standards, and generally for the accurate and timely determination of the financial condition of the Bank and its Group;
- compliance of the Bank's and its Group's operation with the applicable laws and regulations, as well as with the provisions of its policies and procedures;
- safeguarding of the assets of the Bank and its Group, separate and detailed maintenance and safekeeping of customers' assets and safeguarding of the interests of the Bank and its Group, its shareholders and stakeholders;
- ongoing control of the tasks and activities that have been entrusted to third parties, in accordance with the specific provisions of the Outsourcing Policy.

The Bank has adopted the COSO Internal Control-Integrated Framework with a view to implementing an effective and robust ICS, which consists of five key components:

- Audit Environment;
- Risk Assessment;
- Controls,
- Information and Communication; and
- Monitoring

Other standards, such as PCAOB (Public Company Accounting Oversight Board) and COBIT (Control Objectives for Information and Related Technologies), are adopted as guides to the implementation of an effective and efficient internal control system.

The Board of Directors assesses the adequacy and effectiveness of the Internal Control System annually and formulates the strategy for its improvement, taking into account the findings, proposals and observations of the Audit Committee. The assessment of the Internal Control System adequacy at Bank and Group levels is assigned periodically and at least every three years, following a recommendation of the Audit Committee, to third parties, other than the statutory auditors, who have the necessary experience. The relevant assessment report shall be communicated to the Bank of Greece within the first half of the year after the end of the above three-year period.

The Bank's Internal Control System is supported, in accordance with the applicable institutional framework, by an integrated Management Information and Communication System (MIS), the operation of which ensures uniform and recorded data collection and processing procedures, as well as timely available, accurate, reliable and complete information, thus the provision of effective, timely and reliable information to each of the Bank's administrative body. The Bank places particular emphasis on the design and continuous development of the Management Information System, the effectiveness of which is deemed necessary for the decision making on the management of assumed risks.

The effectiveness of the ICS is ensured, inter alia, through periodic or extraordinary audits by the Group Internal Audit of Piraeus Bank in order to establish the consistent application of the rules and procedures provided for by all units of the Banks and its Subsidiaries.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	20 of 42



### 3. ORGANISATIONAL STRUCTURE OF THE BANK

#### 3.1. Organisational structure

The Bank's organizational structure complies with the current principles of the regulatory framework governing the operation of financial institutions and it is structured in such a manner as to comply with the needs of the key business sectors in which the Bank operates. Ensuring an effective organisational structure and clearly defining the competence and area of responsibility for each Bank unit constitute the basis for the Bank's function and operations. Special emphasis is placed on designing a clear organizational structure with distinct, transparent and consistent lines of responsibility; establishing efficient detailed procedures for conducting the Bank's operations and establishing adequate relevant audit mechanisms; and identifying, managing, monitoring and reporting risks to which the Bank is exposed or may be exposed as part of its activities. The development and diffusion of a unified business culture is thus achieved, ensuring:

- separation between trading, settlement and transaction accounting responsibilities;
- independence between risk-taking activities, risk management and audit functions;
- separation of Bank or customer asset custody duties from the aforementioned duties;
- independence of audit bodies from audited activities;

in addition, it ensures avoidance of situations involving incompatible roles, conflicting responsibilities, conflicts of interest between the BoD members, the Management and executives, but also among the said parties, the Bank and its customers, as well as misuse of confidential information or assets.

The following are main aspects of the structure of the Bank's operations and supplement the above:

- for each activity and audit function of the Bank, adoption of the four-eyes principle (involvement of at least two of the Bank officers);
- mandatory participation of the competent units from internal control functions, i.e. the Group Internal Audit, Group Risk Management and Group Compliance in the design of new products and processes in the context of the relevant business decisions for the assessment of the compatibility of planned products or processes with the applicable rules and the relevant risks that may arise, for the purpose of establishing appropriate control and risk management mechanisms in a timely manner;
- establishment of appropriate procedures, consistent with the applicable regulatory framework, to enable anonymous reports of Bank employees to the Whistleblowing Committee regarding serious irregularities or offences that come to their attention which performing their duties, and management of such reports;
- establishment of strict and detailed requirements and procedures for the Bank staff's physical and electronic access to assets and accounting data, and in general to confidential information; also, establishment of secure information flows ("Chinese walls") without hindering the Bank's operation, in order to minimize unauthorised access and error and fraud risks.

Driven by its firm objective of more efficient and productive operation, the Bank changes its organisation structure and, in particular, the organisation chart and competencies of its units when appropriate.

#### 3.2. Executive & Administrative Committees and Boards

With a view to a more efficient and secure operation of the Bank, the Board of Directors has delegated the management and decision-making responsibility on specialized issues to the Group Executive Committee. In addition, by decision of the CEO or the Group Executive Committee, specific tasks may be assigned to Executive, Administrative and Other Committees and Boards. The responsibilities, operation framework and composition thereof are included and detailed in Appendix 03 "Rules of Procedure of BoD Committees, Executive, Administrative & Other Committees and Boards" and "Composition of BoD Committees, Executive, Administrative & Other Committees and Boards" of this Regulation.

#### 3.3. Organisation Chart

The organization chart reflects the organizational structure of the Bank and includes a mapping of organizational units, as well as the supervisory relationship between units. The full organisation chart per Supervision and Unit is illustrated in Annex 01 "Organisational chart" hereto.

The modification of the Bank's organizational structure shall be decided by the Group's Executive Committee and communicated to the staff by means of a Management Circular or Chairman's Act. Any modification of the organisation

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	21 of 42



chart of the units shall be approved by the Bank's CEO and communicated to the staff by means of a Management Circular. In any case, the Appendix 01 "Organisational Chart" of this Regulation shall be amended accordingly.

### 3.4. Responsibilities of Organizational Units

The responsibilities of the Bank's organizational units and their administrative reporting are described in detail in Annex 02 "Responsibilities of Organizational Units" hereto.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	22 of 42





## 4. INTERNAL AUDIT

Internal Audit in Piraeus Bank and its subsidiaries is carried out solely by Piraeus Bank's Group Internal Audit ("PB-GIA"), which constitutes the "Internal Audit Unit" referred to in Section V para. a of Bank of Greece Governor's Act 2577/2006, and operates in accordance with the provisions of said Section, the EBA Guidelines on Internal Governance from time to time, and the relevant applicable regulatory and institutional framework. In this context, PB-GIA is responsible for supervising and coordinating the operation of Internal Audit Units / Operators (IAUs) of subsidiaries in Piraeus Bank Group.

### 4.1. Mission

The mission of PB-GIA is to provide a reasonable, objective and independent documented opinion on the adequacy and effectiveness of the Internal Control System (ICS) in its Group. Moreover, it contributes to the protection and enhancement of the Group's economic value and the achievement of its objectives by adopting a systematic and professional approach to evaluate and enhance the effectiveness of the corporate governance framework, risk management processes and controls.

PB-GIA:

- performs all kinds of audits across all units, activities and providers of substantial activities of the Bank and all the Group subsidiaries, in order to form a reasonable, objective, independent and documented opinion on the adequacy and effectiveness of the Internal Control System (ICS);
- provide objective assurance, as specified, through the Bank's Audit Committee, Board of Directors and Management, on the results of the adequacy and effectiveness assessment of the Internal Audit System.

The operation of PB-GIA is based on the adherence to the Institute of Internal Auditors' International Professional Practices Framework (IPPF) and the applicable institutional and regulatory framework.

### 4.2. Function and Organisational Composition

PB-GIA acts as a pool with the units which, in terms of organisation, fall within its sphere of responsibility, and with IAUs. The Head of PB-GIA is the Chief Audit Executive and has general responsibility for determining the strategy and ensuring the smooth operation of Internal Audit within the Bank and its Group, based on the legal and regulatory framework and international best practices. The Chief Audit Executive expresses his opinion to the Board of Directors on the selection and suitability of IAU heads, and evaluates the efficiency and effectiveness of IAUs.

For the smooth performance of his duties, the Chief Audit Executive is assisted by Auditors and management executives. The Auditors are allocated to audit teams according to the requirements and time needs of the audit work. In any case, for functional reasons, the overall responsibility of audit performance in the Bank lies with the Chief Audit Executive and, in the other companies of Piraeus Bank Group, with the Head IAU of each subsidiary. Audit projects may be undertaken with the participation of specialised associates (external or from within the Group) where considered necessary and upon approval of the necessary expenditure by the Audit Committee. Moreover, with a view to achieving better coordination and dissemination of knowledge, audit areas corresponding to key operations/activities of the Group are specified.

### 4.3. Independence and Jurisdiction

The Chief Audit Executive reports functionally to the Board of Directors of the Bank through the Audit Committee and administratively to the Bank's CEO.

PB-GIA:

- is administratively independent from the Group's other units and refrains from any executive and operational responsibilities;
- employs full-time and exclusive staff, which does not subordinate to any other Group unit and any transfer of a member of its staff to another unit is subject to the Chief Audit Executive's approval, with notice to the Audit Committee.

The Bank's Audit Committee and, by extension, its Board of Directors and Management ensure:

- the independence of PB-GIA and the resolution of issues pertaining to its independence;

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	23 of 42



- adequate and immediate information and updating of PB-GIA through relevant procedures and mechanisms, especially in the event of significant problems and emergencies; and
- adequacy of the audit tools and risk analysis methods of PB-GIA, taking into consideration the size, nature, amplitude and complexity of the Group, and the risks associated with the Group's business model, activities and culture.

The Chief Audit Executive and Auditors:

- have unimpeded access to all activities, units and areas, as well as to all types and forms of data and information (books, documents, files, corporate/business emails, bank accounts, portfolios, systems, applications, data etc.) of the Group;
- communicate readily with any executives, collective bodies and personnel of the Group using all available means (meetings in person, e-mail, teleconference);
- request and receive from any source (executives / personnel / collective bodies of the Group, systems, physical records, etc.) all the information and explanations required to fulfil their mission in the context of ongoing audits using all available means. In the case of highly confidential or sensitive information, only the CAE is notified.

#### 4.4. Quality Assurance

The primary concern for the Internal Audit is the quality of the audit work, which aims at the effectiveness, functionality and objective documentation of the Audit Reports and other reports resulting from this work. This Internal Audit quality is fundamental for standards, recruitment, training plan, including professional certifications, and the procedures in force while performing its tasks.

There are internal quality assessment reviews performed periodically in PB-GIA and IAUs. With the assistance of the Audit Committee, PB-GIA ensures that periodic "external quality assessment reviews" are carried out at least every three years.

#### 4.5. Audit Work

The planning of audit work is based on a risk assessment process. In addition, an Audit Cycle is defined during which the areas must be covered depending on the materiality of their risks. The Audit Cycle is approved and amended solely by decision of the Bank's Audit Committee.

In accordance with the Audit Cycle and the outcome of the risk assessment process, PB-GIA is compiling the Annual Audit Plan – which is approved by the Audit Committee – by giving priority to the high-risk areas.

In the framework of the Annual Action Plan implementation, the Auditors perform all kinds of audits across all units, activities and providers of essential activities of the Bank as well as its Group subsidiaries, in order to form a reasonable, objective, independent and documented opinion on the adequacy and effectiveness of the Internal Control System (ICS).

The results and findings arising from the audits, which incorporate corrective actions to strengthen the audit environment and corporate governance framework, as well as to improve the effectiveness of risk management processes, shall be included in audit reports which shall be appropriately communicated to the Management.

Corrective actions are the object of the follow-up audit procedure, so as to ensure that Management will be promptly notified of the implementation status.

#### 4.6. Advisory Participation in Projects

At the invitation of the Bank's Management, the Auditors participate as advisors at various stages in the development of policies and procedures, information systems, and generally provide recommendations on the ongoing improvement and creation of an adequate ICS. The results of their participation in similar projects is not considered audit work.

The above are specified and supplemented in the Internal Audit Rules of Operation of Piraeus Bank Group.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	24 of 42





## 5. COMPLIANCE

Group Compliance was established in the context of complying with the rules of the Basel II supervisory framework and the provisions of the Bank of Greece Governor's Act 2577/9.3.2006, with administrative independence from the business and internal Units it controls. It has sufficient powers, authority and resources to perform its duties.

Group Compliance is responsible for implementing the Group Compliance Policy adopted by the Bank's Board of Directors to manage the risk of compliance with the applicable legal and regulatory framework from time to time. The Group Compliance Policy is disseminated to all personnel throughout the Group.

The Group Compliance cooperates with Group Risk Management and information is exchanged between them, as required, to enable them to perform their respective duties.

Group Compliance is subject to audit by Group Internal Audit in terms of adequacy and efficiency of compliance procedures, has unrestricted access to all data and information necessary to carry out its duties, and is managed by a select person (Group Compliance Officer) with adequate knowledge of banking and investment activities, whose appointment and replacement must be communicated to the Bank of Greece.

The Group Compliance Officer and the Unit report for administrative issues as well as for issues of compliance function to the Bank's CEO and to the Board of Directors through the Audit Committee. The Audit Committee monitors and evaluates the reinforcement of the Internal Control System's structures and the performance of Group Compliance via progress reports and briefings, which are submitted regularly.

The Group Compliance Officer supervises the overall Compliance function in the Group. Within this framework, he supervises, monitors and coordinates the activity of Compliance Units and the respective Compliance Officers of the Group's subsidiaries in Greece and abroad.

Moreover, the Group Compliance Officer has been appointed as "Outsourcing Officer" responsible for informing the Board of Directors of potential risks related to outsourcing, as well as the European Central Bank (ECB) and the Bank of Greece (BoG) with regard to outsourcing & maintaining a register of information on outsourcing arrangements, and has also been appointed as "Responsible Officer" of the Bank in IRS, responsible for the Bank's compliance with the Qualified Intermediary agreement and FATCA.

The main responsibilities of Group Compliance (GC) are the following:

- To establish and implement appropriate procedures and prepare an annual Compliance Programme in order to achieve the timely and ongoing compliance of the Bank and Group with the current regulatory framework and the provisions of the Group Compliance Policy established by the Bank, and to provide at all times a complete picture of the degree of achievement of said goal.
- To ensure that Piraeus Bank and its Group comply with the applicable legal and regulatory framework regulating the prevention of use of the financial system for money laundering and terrorism financing purposes. To this end, it verifies that the Bank's Units and subsidiaries comply with the obligations arising from the above framework and from the Group Compliance Policy adopted by the Bank, and builds an appropriate environment for the early detection, prevention, investigation and reporting of relevant action..
- To inform the Bank's Management and Board of Directors on regulatory compliance issues through regular and other reports, especially on any identified significant infringement of the applicable regulatory framework or any major deficiencies in meeting the obligations this imposes.
- To update the Board of Directors on its audit work on a regular basis through the Audit Committee, with reports submitted periodically. These reports are the following:
  - (a) annual Report on Issues within GC's Responsibility, which is a progress report that concerns the overall performance of GC and, following its approval by the Board of Directors, is submitted to the Bank of Greece as provided in chapter V – section c – para. 2 of Bank of Greece Governor's Act 2577/09.03.2006;
  - (b) annual Report of the Competent Executive Officer on the Bank's and Group's compliance with AML/CFT provisions of BoG Banking and Credit Committee (BCC) Decision 281/5/17.03.09. This is a progress report submitted to BoG upon approval by the Board of Directors in accordance with the provisions of the aforementioned Decision, and comprises the annual evaluation of High Risk customers as well as the approved Action Plan of Group Compliance for the following year. It is noted that GC's Action Plan is approved by the Board of Directors after being updated and evaluated by the Audit Committee.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	25 of 42



- (c) quarterly activity report on the performance of GC and the Bank's subsidiaries in regulatory compliance issues.
- In the event of amendments to the applicable regulatory framework, to provide guidance, with the aid of the Bank's legal services and/or local legal counsels of foreign subsidiaries, and to participate in projects for the proper adjustment and/or creation of internal procedures/policies/regulations applied by the Bank's units as well as by local and foreign branches and subsidiaries as applicable.
  - To ensure that staff is continuously up to date on updates of the regulatory framework related to their responsibilities by establishing appropriate procedures and briefing notes, in line with the Group Compliance Policy.
  - To participate in creating training material on regulatory compliance issues, in collaboration with the competent unit of Group Human Resources, and carry out thematic seminars for the Bank's staff.
  - To participate in an advisory capacity (at least) in elaborating new products and procedures, in issues pertaining to business decision-making, and in assessing the regulatory risk involved in considerable changes (mergers, acquisitions etc.), in order to ensure compatibility with the provisions of the regulatory framework.
  - To evaluate compliance with regulatory framework requirements concerning the formulation of the target market (positive negative) of investment products, and to periodically inform the Audit Committee.
  - To ensure via appropriate procedures that deadlines for performing the obligations stipulated in the applicable regulatory framework are met, and to provide relevant written assurance to the Board of Directors through its annual reports.
  - To coordinate and monitor the work of Compliance Officers in the Group companies, so that the Group may be fully compliant with current applicable provisions and Law 2656/1998 on bribery of foreign public servants in international business transactions.
  - To give an opinion on the selection and suitability of the heads of the respective Units of subsidiaries, and evaluate their performance.
  - To review and respond, pursuant to applicable legislation and with the aid of Legal Services, to requests of Public / Supervising Authorities regarding provision of information and/or prohibition to move customer accounts / safe deposit boxes.
  - To give an opinion to the Bank's competent approval committee in the course of the approval process of new loans and loan restructures.
  - To monitor participations in Share Capital Increases of Piraeus Financial Holdings against direct and indirect financings.
  - To handle customer complaints received through the Supervising Authorities.
  - To assist the Outsourcing Officer in issues and queries of Bank Units relating to outsourcing, and to participate in the evaluation process of outsourcing cases in line with the provisions of BoG Executive Committee Act 178/2.10.2020 and the Bank's relevant provisions.
  - To design and implement procedures and systems aimed at preventing any conflicts of interest that would be against the customers' interests, and to adopt appropriate procedures, mechanisms and systems for dealing with such conflicts.
  - To review and evaluate situations that constitute or may give rise to conflict of interest which may involve essential risk of damage to the interests of one or several customers and/or the Group, and to provide guidance to Board members, executive officers and employees of companies in the Bank's Group on how to define and identify conflicts of interest and which procedures to implement when such circumstances arise, so as to protect the interests of customers and the Group.
  - To give an opinion on requests for non-banking occupation of staff employed by the Bank and its domestic subsidiaries on a dependent employment contract.
  - To take any measure necessary for the Group to comply with applicable law provisions regarding banking secrecy protection.
  - To participate in establishing an appropriate framework of measures with a view to preventing internal and/or external fraudulent behaviour (anti-corruption) and ensuring compliance of the Group's staff with regulatory requirements and the internal Code of Conduct and Ethics.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	26 of 42



- To monitor investors' transactions in compliance with the regulatory framework on Inside Information and Market Abuse.
- To provide information to Management on infringements of the regulatory framework and on any sanctions imposed by Supervising Authorities to the Bank and to Domestic Subsidiaries.
- To monitor the implementation of corrective action required in matters identified by Supervising Authorities, External and Internal Auditors.
- To handle requests from Supervising Authorities on issues concerning the Bank's compliance with the applicable regulatory framework.
- Moreover, to receive information from competent Units on derogations from the regulatory framework and the Bank's internal procedures identified during audits by Supervising Authorities and External Auditors, and to monitor the implementation of the required corrective action. To assist the Responsible Officer in queries and requests from Bank units relating to Tax Compliance issues and pertaining to FATCA, CRS/DAC2, DAC6 and to the "Qualified Intermediary\_QI" arrangement with the IRS.

With a view to the efficient risk management and use the Bank's services for money laundering and terrorism financing purposes, a Special Department has been set up within the Group Corporate Governance for the prevention and suppression of money laundering and terrorism financing, as specifically laid down in L.4557/2018, as in force, and in BoG Banking and Credit Committee Decision 281/5/17.3.2009. The Board of Directors appoints the Executive Officer for ML/TF to head of the above unit based on criteria of morality, integrity, authority, scientific adequacy, experience in similar tasks and knowledge of the Bank's operations.

The Competent Executive Officer and his Deputy are not allowed to hold any other position in the Bank which is in conflict with the obligations arising from their capacity, and any activity carried on by them outside the Bank must not be in conflict with their role and duties.

The Board of Directors ensures the independence of the Competent Executive Officer mostly as regards his obligations to submit Suspicious Transactions Reports to the Anti-Money Laundering Authority (hereinafter the 'AML Authority').

The Competent Executive Officer has been appointed Responsible Coordinator of the Bank's Group to ensure compliance of all subsidiaries and JSC Piraeus Bank ICB in Ukraine with the obligations of L.4557/2018 and BCC Decision 281/5/17.03.2009, as in force from time to time.

In this framework, the Competent Executive Officer has the following duties:

- to receive reports from Bank officers regarding unusual or suspicious transactions or relevant attempts, and to obtain information on any event that comes to their attention in the course of their duties and could be an indication of money laundering or terrorism financing;
- to obtain information on reports submitted by subsidiary employees regarding unusual or suspicious transactions or attempts thereof, and to obtain information through Regulatory Compliance Units on any incident that comes to their attention in the course of their duties and could be an indication of ML or TF;
- to issue appropriate procedures for assigning and processing alerts generated by the AML system regarding unusual or suspicious transactions, and providing guidance on the implementation of the relevant procedures; The alerts generated by the AML system are processed on a 1<sup>st</sup> level by the Unit that is closest to the source of ML/TF risk. The closest Unit is defined as the one appearing as "Entity Owner" in the Bank's customer-centric system (Branches or Central Units). The 2<sup>nd</sup> level of processing is carried out by the officers of GC Special Department for ML/TF prevention;
- to evaluate and investigate Suspicious Transactions Reports (STRs) received as above, and to submit them to the AML Authority if there is suspicion of ML or TF;
- to have direct communication with the AML Authority both in the beginning and throughout the investigation of the cases reviewed upon submission of a relevant STR, and to respond to queries and provide any clarifications requested;
- to continuously monitor, with particular attention, the transactions of persons for whom an STR has been submitted to the AML Authority. In case of repeated Reports to the AML Authority on a particular customer, the Competent Executive Officer will assess each specific case in order to recommend to the Unit responsible for the customer to either terminate the business relationship or refrain from transactions;
- to keep record of statistic data regarding STRs submitted to the Competent Executive Officer and STRs submitted to the AML Authority;
- to be involved, along with other Bank Units, in designing AML and CFT procedures and controls. The procedures in question serve to implement the provisions of the AML/CFT Policy and, after being approved by the Bank's competent

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	27 of 42



bodies, are shared on Intranet in order to be implemented by all employees who handle, monitor or otherwise control customer transactions and are responsible for the implementation of the Policy, procedures and controls adopted. The adequacy of procedures is evaluated through special controls conducted by GC, and such procedures are revised whenever deficiencies are identified or it becomes necessary to modify them due to changes in the AML/CFT regulatory framework or in the services provided by the Bank;

- to monitor and evaluate the appropriate and efficient implementation of the AML/CTF Policy established by the Bank, and of the measures adopted to ensure its efficient implementation. To that effect, the Competent Executive Officer arranges for conducting special audits on Units, Branches and subsidiaries of the Bank, in order to ascertain the extent of compliance with the provisions of the Policy and procedures, as well as with the specific guidelines given through procedures, Internal Memos etc. Where any omissions or deficiencies are identified, or even risks associated with existing customers, new customers, products and services, the Competent Executive Officer will recommend appropriate corrective measures in writing. The audits in question are conducted by a special Department within GC;
- to ensure the proper operation of the Bank's AML system falling within his sphere of responsibility, as provided in BoG Banking and Credit Committee Decision 281/5/17.3.2009, as in force;
- to respond to requests from the Bank of Greece, and to provide in a secure manner any information requested within his sphere of responsibility;
- to provide guidance to the Bank's employees in AML/CFT matters;
- to obtain information on an annual basis from the Group HR Training Unit on training seminars provided to the Bank's staff regarding ML/TF prevention and suppression, and on the number of officers who attended. The Competent Executive Officer evaluates the adequacy of training provided to the Bank's employees on issues of ML/TF prevention and suppression, in collaboration with the Group HR Training Unit, and recommends appropriate training workshops/seminars for Central Units, Branches and/or employees in need of further training in the relevant issues;
- to evaluate the adequacy of AML and CFT policy, procedures, systems and audits implemented by Credit Institutions that request or have entered into a cross-border correspondent banking relationship (where non-EU countries are involved);
- to take or recommend, as the case may be, corrective measures on issues of ML/TF prevention and suppression as per the findings of audits conducted by the Bank of Greece;
- to evaluate the findings of GIA on Branches and Central Units for the purpose of taking corrective action in matters of ML/TF prevention and suppression;
- to issue an Annual Report evaluating the degree of Piraeus Bank's compliance with the provisions on ML/TF prevention and suppression, to be submitted to the Board of Directors of the Bank through the Audit Committee (as provided by BoG Banking and Credit Committee decision 281/5/17.03.09, as in force). The above Report is evaluated by the Board of Directors through the Audit Committee, is approved and submitted to the Bank of Greece (Banking Supervision Department - Anti-Money Laundering Section) in the month of March, accompanied by the results of the annual evaluation of AML/CFT policy's adequacy and efficiency conducted by the Audit Committee;
- to issue an annual report evaluating very high risk customers as provided in BoG Banking and Credit Committee Decision 281/5/17.03.2009, as in force, and forward same to the Group Compliance Officer for his information. The latter will review same and forward it to the Bank's CEO for approval;
- this report will include consolidated information on the above customers obtained from evaluations conducted by individual Units, and the Competent Executive Officer's recommendation on terminating the relationship with customers who are beyond the limits of acceptable risk. After being approved by the Bank's CEO, the report in question will be appended to the Competent Executive Officer's Annual Report referred to above, which is submitted to the Bank of Greece.

The Bank will inform the Bank of Greece of any change of the Group Compliance Officer within ten days from such change. Moreover, the Bank will inform the Bank of Greece on assigning or terminating the duties of the Competent Executive Officer and his Deputy.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	28 of 42



## 6. RISK MANAGEMENT

The Bank places particular emphasis on effective monitoring and management of risks at individual and Group level, with a view to maintaining the stability and continuity of its operations. In this framework, the competent bodies of the Bank arrange for adopting and regularly revising its Business Strategy concerning undertaking, monitoring and managing risks, establishing a sufficient risk management framework in line with best practices, including a risk appetite framework for each particular risk, and further specifying each individual limit.

The Bank also ensures the adoption of reliable, effective and integrated policies and procedures, to assess and maintain on an ongoing basis the amounts, composition and distribution of the equity, which is deemed by the Bank's Management to be appropriate from time to time to cover the nature and level of actual or potential risk exposure of the Bank. These policies and procedures are subject to regular internal review and assessment by the Group Risk Management, in order to ensure that they remain complete, adequate and proportionate to the nature, extent and complexity of the Bank's activities from time to time.

The following Committees and organisation units are mainly involved in the process of planning, monitoring and managing risks, as well as assessing the adequacy of equity capital and liquidity in relation to the size and form of risk exposure:

- The Risk Committee, to which the Board of Directors assigns risk responsibilities in accordance with the provisions of BoG Governor's Act 2577/2006 and L. 4261/2014, in order to effectively cover all forms of risk throughout the spectrum of the Bank's activities, and to ensure a single mechanism of control, a specialised form of dealing with such risks and the required coordination at Bank and Group level.
- The Group Risk Management, which is responsible for designing, specifying and implementing the Bank's policy in matters of risk and capital adequacy, in accordance with the guidelines given by the Board of Directors, covering the entire spectrum of the Bank's activities for all types of risk.
- The Group Credit, which performs the in-depth evaluation of credit risk exposure during the credit approval procedure, is responsible for establishing and maintaining Credit Policy.
- The Assets and Liabilities Committee (ALCO), which is responsible for implementing the development strategy of the Groups assets and liabilities, depending on quantity and quality data and on the developments of the business environment from time to time, with a view to ensuring high competitiveness and performance, while at the same time keeping the assumed business risks at the determined levels. The main responsibilities of ALCO are described in detail in Appendix 03 "Rules of Operation of Board Committees, Administrative & Other Committees and Boards" of this Regulation.
- The Operational Risk Committee (ORCO), which is responsible for effectively monitoring and managing the relevant risk, by approving an appropriate framework of policies and methods, for ensuring the efficient operation of the Internal Control functions of the first line of defence (Segment & Unit Controllers), for approving and monitoring the implementation of Group Control's annual action plan, for timely and effectively implementing actions for dealing with any identified deficiencies of the internal control system, and for approving risk acceptance requests (Management Accept Risk).

The Group Risk Management is administratively independent from Bank units, which have executive responsibilities, or responsibilities for performing and accounting for transactions, and carries out the responsibilities of the Risk Management Unit under the provisions of Bank of Greece Governor's Act No. 2577/9.3.2006, and of the Credit Risk Control Unit in accordance with the Bank of Greece Governor's Act No. 2589/20.8.2007 and the Bank of Greece Governor's Act No. 2594/20.8.2007 respectively. The set up and responsibilities of Risk Management are set out in detail in a Regulation entitled "Organization and Responsibilities of Risk Management", which is incorporated in Appendix 02 "Organizational Units' Responsibilities" of this Regulation. Group Risk Management is supervised by the Group Chief Risk Officer, who reports to Management and the Risk Committee and/or to the Bank's Board of Directors via the Risk Committee for issues pertaining to his responsibility.

Risk Management is subject to review by Group Internal Audit Unit in terms of adequacy and effectiveness of risk management procedures. The responsibilities of Group Risk Management primarily involve the following:

- shaping the overall framework and recommending strategy, policies and procedures for managing and controlling the risk exposure of the Group, in line with the guidelines provided by the Board of Directors;
- establishing policies and procedures relating to:
  - i. defining, identifying, measuring, assessing, mitigating and reporting risk exposure,
  - ii. determining, allocating and monitoring appropriate risk exposure limits (e.g. credit, market, liquidity and operational risk) per counter-party, activity, economic sector, geographic area, business unit, in collaboration with the competent committees and executive units of the Bank and the respective competent committees and units of subsidiaries,
  - iii. preparing, shaping and complying with the risk appetite framework, including the relevant limits pursuant to the

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	29 of 42





guidelines of the Risk Committee and the Board of Directors,

- iv. measuring risk-adjusted yields and allocating capital among business units,
- v. developing, implementing and regularly evaluating risk-adjusted pricing methods and tools for products and services, and providing training to business units regarding their use.
- vi. assessing the risks and approving the launching of new, or the modification of existing, products and services.
- developing, implementing and periodically evaluating the adequacy of methods, criteria, templates and systems for the prompt detection, measurement, monitoring, hedging, reduction, reporting and in general management of the Bank’s actual or potential risk exposures;
- identifying and measuring all types of risk exposures of the Bank's business units, and to provide detailed risk information to said units for efficiently managing same;
- regularly reviewing the validity of the assumptions and estimations of the Contingency Funding Plan, and regularly carrying out readiness exercises of the overall Plan;
- performing periodic and/or ad hoc capital adequacy stress tests, using scenarios adjusted to the nature and range of the Bank's activities for all types of risk (including liquidity risk), the results of which are communicated to the Bank of Greece and are used as basis to elaborate adequate risk management policies and procedures;
- issuing periodic reports on issues of his responsibility for the purpose of providing regular and adequate information to the Management and the Board of Directors, and on supervisory requirements arising from relevant guidelines / Acts of the Governor of the Bank of Greece;
- participating actively and essentially in the planning and budget processes by participating in all the relevant committees, in order to evaluate compatibility with the approved risk appetite, the capital adequacy levels and the possibility of downside risks;
- establishing and closely monitor the implementation of limits and dedication to the policy governing the borrowers having a special relationship with the Bank or “vulnerable counterparties”, in order to ensure the independence of decisions in transactions;
- regularly monitoring the implementation of the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank and the Group, and the degree of ICAAP's integration in the operation and activities of the Bank and its Group companies (especially in risk management processes, business decision-making and in the Bank's Management Information System); monitoring and evaluating the rational allocation of funds in relation to all significant risk exposures within its Group and the adequacy of internal capital; and periodically re-evaluating the ICAAP;
- designing and implementing the Internal Liquidity Adequacy Assessment Process - ILAAP, as well as co-ordinate the elaboration and performance of liquidity stress tests;
- identifying the Bank’s capital requirements for covering all risks to which the Bank is or may be exposed;
- efficiently managing the capital base, aiming to optimise the allocation and utilisation of capital (regulatory and internal) and, as a result, to improve the Group’s profitability;
- submitting recommendations on the definition the Group's policy in matters of banking supervision and compliance with the guidelines established by Supervising Authorities in relation to risk management and capital adequacy, and to compute the Regulatory Capital required for covering risk exposures;
- raising awareness of risk exposures, and promoting the risk management culture at all hierarchy levels within the Group.

For the efficient performance of its duties, the competent officers of Group Risk Management have access to all of the Bank’s operations and units, and to all data and information of the Bank and its Group companies which are necessary for performing their duties.

The Head of Group Risk Management is appointed by the Board of Directors upon nomination by the Risk Committee, and his/her appointment and replacement upon approval by the Risk Committee must be notified to the Bank of Greece. He/she reports to the CEO and the Risk Committee. The duties of the head of Group Risk Management include, inter alia, following:

- reporting annually to the Board of Directors through the Risk Committee on matters falling within the sphere of responsibility of Group Risk;
- being responsible for supervising the process of assessment of internal and regulatory capital, and for submitting reports to the supervising authorities regarding capital adequacy and risk management; participating in the process of assessment of internal and regulatory capital adequacy by the supervising authorities;
- participating in the decision-making process for specifying the terms of financing which are not subject to pre-

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	30 of 42



determined or general parameters;

- participating in submitting recommendations and proposals to Management and, through the Risk Committee, to the Bank's Board of Directors regarding changes in the composition of the Bank's portfolios, for restructuring/settling existing loans, diversifying the policy for provisions and specifying loan impairment models;
- monitoring the implementation of risk management policies and submitting relevant reports to the Risk Committee on a quarterly basis.
- The CRO has a veto right in the Senior Credit Committee, Recovery Credit Committee, Provisions Committee as well as in ALCO, in case of disagreement for reasons pertaining to infringement of the Bank's approved risk management policy;
- monitoring compliance with the approved risk appetite limits - any deviations from said limits must be promptly reported to the Risk Committee;
- delivering an opinion on credit policy amendments before being submitted for approval to the Group Executive Committee and the Risk Committee (in case that the amendment concerns risk appetite), and monitoring its implementation. He/she promptly reports to the Risk Committee any material deviation from credit policy, or any potential material conflict with the approved risk management strategy or the Bank's risk profile;
- supervising and coordinating the activities of other risk management service units of the Bank and its Group companies, as assigned by Management from time to time;
- performing the duties of Risk Committee Executive Secretary.

## Risk Management Principles

1. The Risk Management function aims at supporting the materialisation of the Group's strategic goals and commitments, in compliance with the regulatory framework and requirements in consideration of the stakeholders' interests. Group Risk processes involve methods and practices in line with international standards, and are systematically enhanced with a view to being optimised and harmonised with the continuously changing supervisory requirements.
2. The Risk Management function is not limited to the activities conducted by Group Risk Management, but also comprises the processes performed by the 3 lines of defence (on a strategic, tactical and operational level) with regard to the overall risk management framework. The optimum cooperation between the 3 lines of defence, the active support and participation of Management and the existence of an adequate framework of policies and procedures, are key conditions for the effective risk management and achievement of the Group's goals.
3. The Board of Directors approves the Risk & Capital Strategy and the main Risk Management Policies, upon recommendation by the Chief Risk Officer (CRO) and the competent Group Risk Management units. The Board of Directors receives and monitors, on a regular basis, detailed reports of risk management including analyses and data concerning the Group's exposure to distinct risk categories, and provides guidelines for managing same.
4. The Group develops and updates the risk management framework (governance, strategy/policies/methodologies and procedures of risk), ensuring an adequate technological infrastructure so as to carry out effective processes of identification, evaluation/measurement, control/management, monitoring and reporting, to the Management and supervising entities, of all types of risk involved in the Group's activities, such as credit risk, market risk, liquidity, operational and capital risk. The framework aims at increasing awareness and risk management culture in all units throughout all levels of hierarchy.
5. The Internal Control System (ICS) is an area of focus with a view to enhancing the structure and processes, aiming at ensuring effective and secure processes within the Group. The control units of the Group contribute to ensuring appropriate risk exposure in compliance with applicable policies and procedures and with the legal/regulatory framework.
6. The Group gives particular attention to the implementation of the approved Internal Control System framework, focusing on the effective and timely management of audit findings (by internal or external auditors). Specialised officers (Segment and Unit Controllers) have been placed in all Group units to ensure compliance with the applicable framework of identification, assessment and effective risk management.
7. The risk governance framework is intrinsically connected with the Corporate Governance principles of the Group which ensure transparency in business operations, and the appropriate allocation of responsibility based on the source of risk (risk ownership). Emphasis is given on high standards of ethics and on segregation of duties.
8. The Group promotes regular and transparent mechanisms of communication within the Group, to enable the Board of Directors, Senior Management and the units of the 3 lines of defence to conduct open discussions concerning the Group's exposure to risks and the adoption of decisions on managing same.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	31 of 42



## 7. OTHER OBLIGATIONS – REGULATORY PROVISIONS

### 7.1. Corporate Announcements

Every announcement of the Bank must include such data as required for the accurate, adequate and clear information of shareholders, customers and investors, and must not contain any ambiguous or vague information.

Where required by applicable legislation, the Bank's announcements are submitted to the Capital Market Commission and to an officially appointed mechanism for the central storage of regulated information (pursuant to Directive 2004/109/EC and Regulation (EU) 596/2014), and are published in a way that allows rapid, non-discriminatory and time-sensitive access to the Bank's announcements by investors across the European Community. The Bank's announcements are additionally posted, with identical content, in Greek and English on its website for at least five (5) years.

### 7.2. Financial Information

The Bank prepares its financial statements on an individual and consolidated basis according to the International Financial Reporting Standards. The Bank's financial statements on an individual and consolidated basis are reported by the means and within the time limits provided by law, in Greek and English, and posted on the Bank's website.

The consolidated financial statements are audited, in line with the principles of the International Accounting Standards, by independent statutory auditors appointed by the Ordinary General Meeting of shareholders.

### 7.3. Inside information management procedure in accordance with the provisions of Regulation (EU) 596/2014.

In addition to the provisions under the relevant paragraphs of this Regulation, a policy aiming at the Bank's compliance with the provisions of the regulatory framework regarding market abuse has been adopted and implemented within the framework of the Bank's Group Compliance Policy (Appendix hereto) for the management of inside information and provision of accurate information to the public by the competent Bank units.

The responsibility to draw up and regularly update the list of persons having access to inside information, in accordance with the provisions of Article 18 of Regulation (EU) 596/2014, lies with the Group's Corporate Governance, which also ensures that such insider list is sent to the Hellenic Capital Market Commission, upon request.

### 7.4. Procedure for the Monitoring of Trading in Group Securities or Derivatives or other Financial Instruments linked thereto

The Bank monitors transactions carried out by persons employed under employment contract or otherwise who have access to inside information, as well as persons discharging managerial duties in the Bank, and those closely related with them, involving Group securities or derivatives or other financial instruments linked to them.

Persons discharging managerial duties in the Bank are:

- The members of the Board of Directors and its Committees
- The members of the Group Executive Committee
- Senior executives who are not members of the bodies referred to above, who have regular access to inside information directly or indirectly linked to the Bank and power to take managerial decisions affecting its future course and business prospects.

**Persons closely related** with individuals discharging managerial duties are:

- (a) a spouse, or a partner considered to be equivalent to a spouse;
- (b) dependent children, in accordance with the law;
- (c) a relative who has shared the same household for at least one year on the date of the transaction concerned;
- (d) a legal person, trust or partnership, the managerial duties of which are performed by a person discharging managerial duties or a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, or which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person;

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	32 of 42





Monitoring the transactions of the Board members and persons discharging managerial duties in the Bank and those closely related with them, as well as persons employed by the Bank under an employment contract or otherwise who have access to inside information is the responsibility of the Corporate Governance.

Responsibility to draw up and regularly update the lists of persons discharging managerial duties, in accordance with the provisions of Article 19 of Regulation (EU) 596/2014, lies with the Bank's Corporate Governance, which also ensures that such list is sent to the Hellenic Capital Market Commission.

#### **7.5. Obligation to Report Transactions under Regulation (EU)596/2014**

Persons discharging management duties in the Bank shall be informed in writing of their obligations arising from the provisions of Regulation (EU) 596/2014 by the Chairman of the Board of Directors or the competent Bank Unit.

Persons discharging managerial duties in the Bank shall sign a statement that they are aware of their obligations and undertake to inform the persons closely related with them. They shall also inform the Corporate Governance of any change in their capacity or of the persons with whom they are closely related. The template of the relevant statement is subject to changes in order to be updated according to the applicable institutional framework and standard practice.

#### **7.6. Procedure for the Notification of Transactions conducted by Persons Discharging Managerial Duties in the Bank and Persons closely related with them**

For the public notification of any trading in Group securities or derivatives, or other financial instruments linked to them, conducted by persons discharging managerial duties in the Bank, and persons closely related with them (as defined in Article 3 (1) (25) of Regulation (EU) 596/2014 and specified by the Bank above) the following procedure shall apply:

Upon receipt of the relevant notification on their behalf of the liable persons at the e-mail address indicated to them, the Corporate Governance shall be immediately informed,

Corporate Governance shall, according to the applicable legal and regulatory framework, proceed to the disclosure immediately and no later than within two (2) business days from the receipt of a relevant notification.

#### **7.7. Obligation for Quarterly Related Party Transaction Disclosure according to IAS 24**

In the context of the International Financial Reporting Standards under IAS 24 "Related Party Transaction Disclosures", the Bank is obliged, when preparing its quarterly financial statements, to disclose aggregated transactions conducted with the Bank or its Group companies by natural or legal persons designated as related parties in the Standard and the adopted "Policy on the Implementation of IAS 24 Related Party Disclosures" of the Bank.

The Bank's statutory auditors shall be notified of the details of the above transactions in order to verify/audit the relevant aggregate statement.

The relevant form must be sent by Corporate Governance to the aforementioned obligors and must be returned completed within the first 10 days of the end of the relevant quarter. Corporate Governance will then send the data to Financial Services.

#### **7.8. Rules regulating Transactions with Affiliates**

The Bank applies the arm's length principle in all transactions with its affiliates, in the sense that the terms governing its transactions with such companies are identical or similar, and in any case do not unreasonably derogate from the terms that would be applied by the Bank in the same or similar transactions with third party independent undertakings. Transactions between the Bank and its affiliates are continuously monitored through the Bank's IT system.

#### **7.9. Transactions with Board members and related parties**

Financial Services is responsible to monitor the Bank's transactions with Board members and related parties thereof in the sense of para. 3b of article 80 of Law 4261/2014 and IAS 24. All types of transactions of the Bank, especially including credit and equity participations with the aforementioned persons must be entered into by decision of the Bank's competent body from time to time, and are regulated by specific conditions and procedures established to ensure that these transactions will be conducted on conditions which are at least equivalent to the general conditions applied by the Bank in respective transaction categories with third parties and in a manner consistent with the rules of sound and prudent management of the Bank.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	33 of 42



In this context, Board members and their related parties in the sense of para. 3b of article 80 of Law 4261/2014 must disclose to the Board of Directors the total outstanding amount of credit received from businesses associated with the Bank, in the meaning of article 32 of L. 4308/2014 within twenty (20) days from the end of each calendar year.

### 7.10. Management of Complaints

Customer complaints submitted to the Bank by Extra-Judicial Settlement Entities and the Ministry of Development Directorate General of Consumer Protection are reviewed and resolved by the Customer Complaints Office (CCO), which was established under the relevant provisions of Bank of Greece Governor's Act 2501/31.10.2002. Complaints are handled as provided by BoG Executive Committee Act 157/1/2.4.2019 entitled "Adoption of the Guidelines of the Joint Committee of the European Supervisory Authorities on addressing complaints submitted by transacting parties to regulated institutions".

CCO reviews the disputes between transacting parties and the Bank in a fair, unbiased manner using transparent procedures, with a view to resolving same, and communicates results in a clear and comprehensible manner. To this end, it works with the units involved for the timely and effective handling of Complaints and completion of same within the time-limit determined in line with Executive Committee Act 157.

The framework of the complaints management mechanism and its main principles are reflected in the Complaints Policy and is described in detail in the respective internal procedures. The Policy is approved and adopted by the Board of Directors, which is responsible to ensure its implementation and monitor compliance with said Policy. The data collected in the process of complaint management are analysed and evaluated on a continuous basis in a systematic and structured manner referred to as Improvement Mechanism, whose stages are described in detailed in the respective procedure. The main aim is to identify and address any recurring issues, weaknesses in the systems, and any potential legal and operational risks.

The responsibilities of "Customer Complaints Office" (CCO) are set out in detail in Appendix 02 of this Regulation.

### 7.11. Confidentiality – Personal Data Protection

The Bank and the individuals employed therein in any manner are obliged to maintain special banking discretion regarding the keeping, balance and movements of deposits accounts of the Bank's customers. Moreover, individuals employed in the Bank in any manner must maintain professional discretion regarding any confidential information brought to their attention in the course or by reason of their duties. In particular, individuals employed in the Bank in any manner must treat any information brought to their knowledge in the course of their duties in the utmost discretion and confidentiality, and must not disclose or notify such information to any third parties; they must use any such information solely for the purpose of performing the duties assigned to them by the Bank, and take any reasonable and feasible measure for keeping such information duly and securely, in accordance with the legal and regulatory provisions applicable from time to time and the Bank's applicable policies and procedures.

Furthermore, in order for the Bank to disclose confidential information to any consultants and external associates and any third party individuals or legal entities, a non-disclosure agreement must be previously executed, imposing on these persons the obligation to keep the confidential nature of such information throughout their transactional relationship with the Bank.

Moreover, in order to maintain the confidentiality of privileged information until their publication by the Bank pursuant to applicable provisions, access controls will be regularly performed to ensure that information regarding assets, accounts and other confidential information can only be accessed by authorised individuals, and an information process has been established for Board members, any third parties assigned with powers of the Board, Executive Officers and other persons having access to privileged information, regarding the obligation to preserve the confidentiality of information and to refrain from any actions that constitute abuse of said information under applicable laws.

Furthermore, the Bank has established and implements procedures and takes any appropriate measures from time to time to protect and safeguard the personal data of its customers in accordance with the provisions of the General Data Protection Regulation (EC) 2016/679 (hereinafter "GDPR" or "Regulation which entered in effect on 25th May 2018, as incorporated in national legislation with L. 4624/2019"). The Regulation establishes the rules concerning protection of natural persons with regard to the processing of personal data, the rules concerning the free movement of personal data, protects fundamental rights and freedoms of natural persons - especially their right to personal data protection - and in general sets the general framework of personal data processing and protection. Information on the processing of personal data can be found at the Bank's and Group's website.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	34 of 42



### 7.12. Assurance of Continuous and Secure Operation of IT Systems

The operation of the Bank's IT systems aims on the one hand at efficiently supporting the Bank's operational strategy and operation, and on the other hand at safely moving, processing and storing the Bank's crucial information and data. For this reason, the Bank focuses particularly on defining and periodically evaluating and updating the Group's IT strategy, as well as on creating and continuously developing a framework of principles for the secure, efficient and uninterrupted operation of its systems and e-banking systems, especially as regards the organisation, development, support and constant control of same. This framework comprises all business and administrative structures and procedures of the Bank, which ensure the following:

- the sufficient and effective accounting and computer support of the Bank's strategy, goals and operations by its systems;
- the effective management of available resources;
- the "physical" and "logical" security of business information and data, systems and access thereto, as well as the infrastructures supporting them;
- the assessment and the prompt and efficient management of risks arising from the operation of IT systems and from any co-operation with external associates in IT issues;
- the faithful implementation, by the Bank's personnel, of the Management-approved Information Security Policy;
- the impartiality and independence of the Security Unit and of the IT Security Officer of the Bank;
- the documenting and continuous updating of policies, procedures and methodologies for the design, development and day-to-day operation and support of the Bank's IT systems, as well as for the management and quality assurance of IT projects;
- the ability to measure the effectiveness and efficiency of systems; and
- the implementation of a number of efficient and adequate control mechanisms and procedures, especially in relation with the risks arising from the development, integration and operation of IT systems.

The Bank acknowledges the need to have contingency and disaster recovery planning in place and has therefore established a Business Continuity Plan (BCP) for its IT systems in order to ensure the continuity of its most critical operations. Moreover, the Bank has an effective Recovery Plan (RP) in place, which will be implemented in case of destructive events which may cause a prolonged interruption of the operation of a critical system, or even of the entire computer centre of the Bank. It has been in particular decided that both hardware and software will be kept in a reserve IT centre to be exclusively used for the purposes of ensuring continuous and uninterrupted operation of its systems. Using this hardware and software it will be easy to restore, in a reasonable time period, the operation of the information systems in case of interruption. Additionally, back-up copies of all essential electronic data, information and files are kept so as to be possible to recover them in case of disaster. In this context, the procedures of Group Technology especially provide the following:

- back-up files of all applications and systems are taken from the central IT systems of the Bank;
- back-up files are kept in a room at a different building, which meets all the fire-safety and secure storage standards;
- branches and central services receive back-up files which are kept in areas, which meet all the fire-safety and secure storage standards;
- back-up files are created daily before and after the close of the day, include the data of IT systems and are kept for a month;
- monthly copies that are taken include both data and software and are kept indefinitely;
- the magnetic storage means are adequately protected from natural disasters, accidents or potential abuse both in a special room of the Group's Technology Unit building and in another room of the same building.

In line with the provisions of Executive Committee Act 190/16.06.2021, the Bank has established the IT Steering Committee, which performs the tasks provided for by the aforementioned Executive Committee Act.

### 7.13. Code of Conduct and Ethics

Piraeus Group has adopted a Code of Conduct and Ethics for employees, based on generally accepted principles (prohibition of disclosure of confidential information, professional secrecy, prohibition of money laundering, observance of appropriate standards of conduct and cooperation, which must be applied by the Management and all human resources of the Bank and the Group.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	35 of 42



The Code has been developed in line with the corporate values and the way in which they are translated into desirable behaviours. It is implemented across all hierarchy levels with emphasis on the principles of responsibility, meritocracy and transparency. It consolidates the key Policies and Regulations of the Group and sets, as a checkpoint, a common decision-making framework, within the working framework.

The Code makes a distinct reference to the Whistle Blowing process, so that any irregularity detected is reported anonymously or by name using appropriate communication channels.

The content of the Code is not exhaustive, but includes the minimum requirements to be applied, which are supplemented by Policies, Procedures and other internal documents and/or arising from Contractual Obligations and Management Circulars that are equally binding.

#### 7.14. Other main policies and procedures

The Bank oversees developments in the applicable framework and the relevant directives and best practices, and takes all appropriate action to ensure that the policies implemented are in line with the applicable regulatory framework and related directives from time to time.

Among other things, the Bank's governance policy framework includes the following Policies:

- Regulatory Compliance Policy which includes, among other things:
  - Conflict of Interest Policy;
  - Whistleblowing Policy;
  - Anti-Bribery and Corruption Policy
  - Anti-Money Laundering and Terrorism Financing Policy
  - Outsourcing Policy
  - Transparency & Customer Complaint Management Policy
- Anti-Fraud Policy
- Group Business Continuity Policy
- Group information resources security policy framework
- Data Governance Framework

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	36 of 42



## 8. GROUP HUMAN RESOURCES

### 8.1. Group Human Resources

The mission of Group HR is to cultivate a high performance culture that promotes the Bank's business strategy and values in line with the applicable legal and regulatory framework, as well as to create a modern and healthy work environment that systematically aims at integrating diversity, safeguarding equal treatment and equal opportunities, in line with the Group's strategic goals.

The priority is to modernise and streamline the procedures, policies, systems and infrastructures of human resources to create a positive experience for the employee, driven by meritocracy, transparency and accountability, as well as work ethics throughout all levels of the Organisation.

Emphasis is given on human resources development and progress, on continuous training, optimum utilisation, rewarding of high performance and talent retention; on developing a culture that promotes honest communication, group spirit, flexibility and creativity.

Emphasis is also given on developing competitive salary and benefits packages, and salary levels that discourage excessive risk exposures, potential conflicts of interest and/or infringement of regulations and laws, aligning the long-term interests of the Bank, employees and shareholders.

### 8.2. Recruitment of Management Executives

Management executives are recruited in accordance with the "Piraeus Bank Group Recruitment Policy", which specifies the following:

- Approval to fill the vacancy
- Search of internal / external candidates – Assessment of capabilities / skills
- Candidate selection

#### 8.2.1 Approval to fill the vacancy

Regarding Executive General Manager (L1) staffing needs, the Head of Group Human Resources, in collaboration with the Group CEO, initiates the staffing process, describing the role and key responsibilities.

Respectively, for filling in General Manager positions (L2) or Senior Director positions (L3), the Head of Supervision at L1 or L2 submits his recommendation to Group Human Resources in favour of filling in the vacancy, along with clear reasoning, and Director positions at L4 are recommended by the Head of Supervision at level  $\geq$  L3.

The process of approval of filling in vacancies internally is completed with a recommendation submitted by the competent Head of HRBP and approval by the Group CHRO (for levels of responsibility L5 or above), while the process of filling in vacancies by an external nominee is completed by recommendation from the Deputy Group CHRO and approval by the Group CHRO and the CEO.

#### 8.2.2 Search for Internal / External Candidates – Evaluation of Qualifications / Skills

Talent Acquisition & Workforce Planning is responsible for searching and selecting an adequate internal or external candidate.

In order to search for and assess external candidates, subject to approval by Human Resources, it may be deemed necessary to assign the project to specialist executive recruitment firms.

In any case, the search will result in a short list.

Depending on the level of responsibility, the complexity of the role and the required framework of skills sought from time to time, evaluation tools are used either individually or in combination.

For the evaluation of responsibility levels L1-L2, an evaluation is conducted by the Group CHRO & the CEO and/or an External Consultant, and a "Fit & Proper" process is additionally followed for specific roles. For the evaluation of responsibility levels L3-L4, a Competency Based Interview will take place and/or an Evaluation and Development Centre procedure.

For the recruitment of management executives, special emphasis is also placed on:

- equal opportunities to and equal treatment of candidates irrespective of gender, nationality, sexual orientation, religion, age;

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	37 of 42



- ensuring sufficient and diverse professional experience and training to maximise the capability to lead and drive banking developments.

### 8.3. Human Resources Training & Development

Piraeus Group strategy, the Job Family Model which identifies roles, the institutional and regulatory frameworks, new technologies and modern workplace tools, as well as the corporate values, shape training planning and define the actions designed and implemented for the entire Organization.

Effective human resources training and development contribute to the achievement of business results while also aiming at:

- Understanding the Organization's strategic priorities
- Linking to corporate values
- Higher performance levels
- Understanding factors that affect performance
- Exchange of ideas, knowledge and dissemination of “best” practices
- Effective management of and adaptation to change
- Personal Development
- Strengthening team spirit
- Increase human resources commitment
- Compliance with the supervisory and regulatory framework

The need to specialise and adapt to new requirements necessitates the upskilling as well as the reskilling of executive staff in order to meet the needs arising from organizational changes, internal mobility and talent management.

#### 8.3.1 Training of the BoD

The training needs of the Board of Directors (BoD) are evaluated and approved annually by the Nominations Committee. They are then communicated to Group Human Resources along with the agenda of training topics. Depending on the content of each subject, the agenda must specify the person responsible to coordinate the training from the relevant pillar or unit.

The presentations/trainings are made by corporate executives or selected external partners in Greece or abroad. The Group Human Resources coordinates the training and elaborates the training material where necessary.

#### 8.3.2 Senior Management Training

The training of Senior Management executives shall be planned and scheduled on the basis of the Organisation's strategic priorities and objectives at any given time. The aim is to strengthen the corporate culture, continuously develop leadership skills and fully use their potential for strategy and goals of the Organisation.

In addition, actions are planned to involve Senior Management executives in training, conferences and fora as well as professional certification programmes according to their area of expertise, in cooperation with training organisations abroad. The aim is to enrich their experience and knowledge on a variety of issues such as: market trends, global economy, new technologies, digitisation and corporate transformation.

Relevant Policies:

HR Training & Development Policy

### 8.4 Management Executives Performance Management

The Bank's management executives performance management process covers a number of performance criteria, which arise from the Bank's business activity and reflect its values.

The approach to performance management is based on three principles: high performance, management accountability and personal responsibility and mutual trust. It clearly links day-to-day business to the Bank's strategy, recognises the individual contribution to the group's common goals and creates ongoing development opportunities for all employees. The performance management process refers to the last financial year of the Bank.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	38 of 42





Specifically, for the management of the Bank's management executives performance, as for all employees regardless of hierarchy level, account is taken of two basic dimensions: (a) personal contribution to the team targets; and (b) the behaviours they exhibit and the extent to which they reflect the Organisation's values, and how they use their skills, knowledge and experience to maximise their effectiveness by differentiating their performance.

The stages of each performance management cycle are:

- Contribution to team targets: Each unit defines its business objectives, which are linked to the Organisation's strategic priorities. The performance cycle begins by entering the employee's contribution to the team targets and connecting it to the "big picture".
- Performance and Development Dialogues/Check-ins: Check-ins are performance & development dialogues that take place throughout the year, on the initiative of either the employee or their line manager. Check-ins are activated after the contribution to the team's targets has been finalised.
- Feedback to a line manager and peers / Peer and Team Feedback: Each employee gives feedback to his/her line manager and can give and request feedback from other colleagues within and outside his/her unit. It is mandatory for team leaders, project managers and/or those who report to more than one manager (matrix reporting line).
- Alignment Meetings/Calibration: The performance cycle ends with alignment meetings & overall performance assessment. At calibration meetings, team leaders discuss the performance of their direct reports over the previous year, in the presence of their line manager. The objective is to align the overall performance assessment in a uniform and documented manner, creating common performance standards.
- Overall performance assessment/Finalization: Finalization is the final stage of Become & Achieve in every annual performance cycle. The line manager records in the system the performance level of each team member as agreed at the calibration meeting.
- Individual Development Plan (IDP): It is a dynamic tool to systematically record personal & professional development goals, providing a "suite" of development actions.
- Filing of objection: An employee may submit an objection regarding the evaluation of their performance, where they consider that said evaluation does not accurately reflect their performance or that the applicable principles were not followed. Any such objection will be reviewed by the Objections Committee.

#### Relevant Policies:

Performance Management Policy

## 8.5 Succession Planning

The main aim of Succession Planning is to create a framework for systematically identifying and arranging for the succession of officers in critical positions throughout the organisation, in order to be able to fill in these positions through appropriate preparation and development when the need arises. The Succession Planning Policy serves to ensure:

- business continuity of the Group and its smooth operation; and
- retention and systematic and targeted professional development of the most competent and effective officers.

In summary, the steps to be followed for implementing the Succession Planning Policy are the following:

1. identifying and/or updating critical positions for the Group;
2. identifying the appropriate officers who could be potential successors to such critical positions, and evaluating their degree of readiness/adequacy;
3. confirming succession plans (connecting the critical position to potential successors);
4. elaborating and implementing development actions to prepare successors and upgrading their readiness/adequacy to fill in the critical position.

In particular, as regards positions concerning the Executive Committee and Board members, the Nominations Committee is responsible for the long-term succession planning of Board members, receiving information on the existence of a Succession Plan for senior executive officers and monitoring its implementation based on the applicable Succession Planning Policy.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	39 of 42



Relevant Policies:

Succession Planning Policy

## 8.6 Talent Management

Creating and implementing the Regulation on Talent Management aims at identifying employees with high performance and potential for development within the Organisation, and elaborating and implementing an appropriate framework for managing same, for the purpose of identifying, developing and keeping such talent in order to ensure business continuity and identify the leaders of tomorrow.

In summary, the potential benefits from creating and implementing a framework for documenting and managing talent within the Organisation in a manner that is transparent, substantiated and merit-based, are the following:

- Ability to identify and optimally develop talent within the Organisation
- Ability to retain and develop the most skilled officers
- Preparation of succession and staffing of critical positions
- Enhancement of a culture of recognition for high performance and potential for development
- Ability for efficient design and implementation of focused training and development programmes

Talent is identified based on the evaluation of the last two cycles of performance (Become & Achieve), the development potential of employees and their readiness to undertake a new and/or more complex / bigger role (horizontally or vertically) in the next 24 months.

Under the Talent Management Regulation which has been issued, focused action is being elaborated to help identify, retain and continuously develop talent within the Organisation.

The Talent Management Regulation is addressed to all Human Resources and applies to all positions within Piraeus Group.

Relevant Policies:

Talent Management Regulation

## 8.7 Remuneration Policy

With a view to maximising the value of Piraeus Bank, a Remuneration Policy has been developed and is being implemented, in line with its business strategy.

The Remuneration Policy aims to:

- Attract, retain and motivate high-potential employees who bring the desirable results with consistency towards corporate culture and values.
- Adopt an equal pay policy for men and women, for equal or equivalent work, supporting a fairness culture.
- Enhance a culture based on performance, excellence and creation of sustainable development, taking into consideration criteria pertaining to climate issues, as well as Environmental, Social and Governance issues (ESG).
- Align remuneration with profitability, capital adequacy and liquidity.
- Promote a culture of compliance and effective risk control.
- Enhance internal and external transparency.

The main principles of the Remuneration Policy reflect the most recent regulations as far as remunerations and motivation practices are concerned, are aligned with the organisation's long-term strategies and connected with the Bank's agenda to create added value for all stakeholders (such as shareholders, employees). At the same time, it contributes to establishing a risk-responsive culture, with a view to increasing efficiency and simplifying procedures, complying with internal policies and controls, therefore discouraging excessive risk exposure, as well as avoiding conflicts of interest.

The Remuneration Policy covers all types of remuneration. Remuneration is split into fixed and variable parts and it is, thus, ensured that it is linked to the Group's short- and long-term efficiency. It involves all means of payment, such as cash, shares and options, as well as other means, regardless of whether they involve lump-sum or deferred payments, taking into

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	40 of 42





account the provisions and restrictions of applicable legal and regulatory framework.

Specifically:

- The remuneration levels are compared with those of the Greek and European banking markets, where necessary.
- Reflecting the Bank's principles for accountability, meritocracy and transparency results in a particular range of remuneration which aims, on one hand, to be aligned with the market, and on the other hand to provide for a specific amount of remuneration either for specialised roles which are crucial for the Bank's development, or for cases of exceptional performance.
- The fixed portion of remuneration aims at remunerating employees based on pre-determined criteria such as level of responsibility, training professional experience and skills required for performing their duties. The variable portion may take on the form, among others, of an annualised performance rewarding scheme, aiming at providing incentives for individual performances, or of a sales incentive scheme / rally aiming at providing further motivation to achieve specific business results.
- With a view to enhancing the effectiveness of employee incentives, clear, measurable, quantitative and qualitative targets are set in the beginning of each year. Said targets integrate the Group's mid- and long-term strategy, bring alignment between the interests of the employees and the interests of the organisation and shareholders, ensuring the avoidance of excessive risk exposures, while the variable amounts of remuneration should not be such that would prevent maintaining a healthy capital base.
- The Bank is under no commitment to pay variable remunerations. This means that the Bank is entitled to decide not to pay and/or to take them back if called for by the circumstances.

Relevant Policies:

Group Remuneration Policy

Board of Directors' Remuneration Policy

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	41 of 42



## 9. CORPORATE RESPONSIBILITY and ESG (Environmental, Social & Governance)

Corporate Responsibility is the responsibility of businesses for their impact on society. In particular, it concerns the responsibility that businesses ought to take in respect of the effects of their activity on sustainable development, notably on society, economy and the environment where they operate. In this context, Piraeus Bank takes into consideration environmental, social and governance criteria, referred to for shortness as ESG criteria, in its operation, business activity and practices, as well as in communications with stakeholders, so as to enhance the organisation's positive impact on economy, society and the environment.

With a view to enhancing sustainable development, and with the vision of becoming the most reliable bank in Greece, Piraeus Bank follows as well as drives the trends in sustainability, creating value for its shareholders, customers and employees. It is the only bank in Greece that actually contributed to the elaboration of the United Nations' Principles for Responsible Banking.

Piraeus Bank follows and/or adopts international acts and guidelines of sustainability such as:

- The UN Sustainable Development Goals (UN Sustainable Development Goals)
- The ten (10) principles of the UN Global Compact (UN Global Compact) endorsed by the Bank
- The Paris Agreement for the UN Framework Convention on Climate Change
- The six (6) Principles of Responsible Banking of UNEP FI (Principles for Responsible Banking)
- The Women Empowerment Principles of the UN Global Compact and UN Women (Women Empowerment Principles)
- The UN Principles for Responsible Investment (UN Principles for Responsible Investment)
- The commitments to initiatives for setting climate goals: Science Based Targets Initiative and Collective Commitment to Climate Action
- The commitment to UNEP FI initiative for establishing financial inclusion goals: Financial Health & Inclusion
- The recommendations of the Financial Stability Board on financial disclosures regarding climate-related risks (TCFD Recommendations)
- The national and international initiatives or organisations in which the Bank participates, aiming at promoting sustainable development (UNEP FI and its individual initiatives such as the Positive Impact Initiative, and other initiatives such as United in the Business for a Better World, Caring for Climate, Paris Pledge for Action, EU Business & Biodiversity Platform, Finance for Biodiversity Pledge, CSR Hellas, etc.).
- Regulatory expectations on managing and disclosing climate-related and environmental risks

Moreover, Piraeus Bank is systematically evaluated by ESG rating agencies monitoring the performance of leading companies globally based on economic, environmental and social criteria, and showcasing the companies with the highest performance. Through the continuous evaluation procedure, the Bank improves its sustainability practices in line with the latest and most acknowledged developments.

The Bank recognises the important role it plays in Greek society, and taking into consideration that the investors community focuses on shifting towards a low carbon economy, it has developed a comprehensive sustainability approach as reflected in the Group's published Policy on Sustainable Development.

The Group acts on the basis of its Corporate Governance Principles, and has adapted to the provisions of the institutional framework on corporate governance, aiming at safeguarding the interests of the company and its shareholders. For optimum corporate governance, the Bank has established specialised policies such as: The Group Policy on Human Rights, the Code of Conduct & Ethics, the Group Compliance Policy, the Whistleblowing Policy, the Anti-Bribery and Anti-Corruption Policy, the Board Members Diversity Policy, the Suitability Policy, the Remuneration Policy of Board Members and the Strategy on Climate Change.

GROUP ORGANIZATION & OPERATION QUALITY	VERSION / REVISION NUMBER	ISSUE / REVISION DATE	PAGE
	1.1	26/01/2023	42 of 42