



**Summary of  
Internal Governance Regulation**

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## **CHAPTER 1 – INTRODUCTION**

By resolution of the Extraordinary General Meeting of Shareholders held on 2.4.2021, along with the receipt of the required regulatory approvals, on 16 April 2021, the demerger of the former Alpha Bank S.A., then authorized to operate as a credit institution (under G.E.MI. number 223701000 and Tax Identification Number 094014249), which has been already renamed to “**Alpha Services and Holdings S.A.**”, (“**Company**” or “**Alpha Services and Holdings**”), was announced. The demerger was implemented pursuant to the Decision of the Ministry of Development and Investments under protocol no 45089/16.4.2021 by way of hive-down of the banking business sector with the incorporation of a new company, which has been licensed to operate as a credit institution under the name “**Alpha Bank S.A.**” (the “**Bank**”), in accordance with the provisions of Article 16 of Law 2515/1997, as well as Articles 54 paragraph 3, 57 paragraph 3, 59-74 and 140 paragraph 3 of Law 4601/2019 and Article 145 of Law 4261/2014, as in force (the “Demerger”).

As a result of the Demerger, the Bank has substituted the Company by operation of Greek law, as universal successor, in all of its assets and liabilities, rights and obligations and in general its legal relationships within the banking business sector. Moreover, the Bank continues its operation through the existing organizational structure, branch network and premises.

Alpha Services and Holdings, which on 19 April 2021 ceased to operate as a credit institution, maintains the assets and activities not related to the banking business sector, while its shares remain listed on the Main Market of the Athens Exchange (the “ATHEX”). This Internal Governance Regulation (the “Regulation”) has been revised in the context of Law 4706/2020 on Corporate Governance of Sociétés Anonymes, taking into consideration the relevant provisions of the legal and regulatory framework (particularly Law 4548/2018, Law 4514/2018, Law 4261/2014, Directive 2013/36/EU (CRD IV), Law 3864/2010 (the “HFSF Law”), as in force, decisions and acts issued by the Bank of Greece, the European Central Bank, the European Banking Authority and the Hellenic Capital Market Commission, as applicable to the Company.

Pursuant to the applicable legislation, this Regulation refers to the Board of Directors and its Committees, the organizational structure of the Company, the senior executives, the Internal Control System, and the policies of the Company.

The Regulation:

- aims at regulating the organization and functioning of the Company to secure business integrity and transparency of business activity;
- does not constitute an exhaustive reference of the principles and obligations applied by the Company under the applicable legal and regulatory framework; and
- is supplementary to the provisions of the Articles of Association and the Corporate Governance Code.

A summary of this Regulation is duly published on the Company's website.

## **CHAPTER 2 - ADMINISTRATIVE STRUCTURE**

Alpha Services and Holdings is a financial holding company the scope of which is:

- a) the direct and indirect participation in domestic and/or foreign companies and undertakings that already exist or to be established, of any form and object whatsoever,
- b) the design, promotion and distribution of insurance products in the name and on behalf of one or more insurance undertakings in the capacity of insurance agent in accordance with the applicable legislation,
- c) the provision of supporting accounting and tax services to affiliated companies and third parties as well as the elaboration of studies on strategic and financial management and
- d) the issuance of securities for raising regulatory capital

The Company's shares are listed on the Main Market of the Athens Exchange.

The organizational structure and distribution of tasks of the Company entails the following collective corporate bodies and Committees:

- Board of Directors;
- Four (4) Board Committees supporting the operations of the Board of Directors, namely:
  - the Audit Committee;
  - the Risk Management Committee;
  - the Corporate Governance, Sustainability and Nominations Committee; and
  - the Remuneration Committee.
- Executive Committee.

## **2.1. BOARD OF DIRECTORS AND BOARD COMMITTEES**

### **2.1.1. BOARD OF DIRECTORS**

The Board of Directors is responsible for managing the affairs of the Company and representing it vis-à-vis third parties. Further, it has the ultimate and overall responsibility for the Company and defines, oversees and is accountable for the implementation of the governance arrangements within the Company that ensure effective and prudent management of the Company. Among others the Board of Directors:

- a) has the overall responsibility for the Company and approves and oversees the implementation of the Company's strategic objectives, risk strategy and internal governance;
- b) ensures the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with the law and relevant standards;
- c) oversees the process of disclosure and communications;
- d) is responsible for providing effective oversight of senior management.

The Board of Directors consists of no less than nine (9) and no more than fifteen (15) Members (only odd numbers are allowed, while an even number can be accepted temporarily for a justified reason), including Executive and Non-Executive Members, in accordance with the provisions of applicable legislation and the Relationship Framework Agreement (RFA) signed between Alpha Bank S.A. and the Hellenic Financial Stability Fund. A legal entity may also participate in the Board of Directors as a Member, pursuant to article 77 par. 4 of Law 4548/2018.

The tenure of the Members of the Board of Directors is quadrennial. The tenure of the Board of Directors may be extended until the termination of the deadline for the convocation of the next Ordinary General Meeting and until the respective resolution has been adopted.

Subject to the respective provisions of the related legal and regulatory framework and the Company's Articles of Incorporation, the specific duties and responsibilities as well as the principles and the framework for the operation of the Board of Directors, are set out in its Charter.

### **2.1.2. COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors may establish permanent or ad hoc Committees to assist it in the discharge of its responsibilities, facilitate its operations and effectively support its decision-making. The Committees have an advisory role but may also assume delegated authorities, as determined by the Board. Each Committee has its dedicated Charter prescribing its composition, tenure, functioning and responsibilities.

Four (4) Committees operate at Board level, namely:

- the Audit Committee,
- the Risk Management Committee,
- the Remuneration Committee and

- the Corporate Governance, Sustainability and Nominations Committee.

### **Audit Committee**

The specific duties and responsibilities of the Audit Committee are set out in its Charter, which is posted on the Company's website (<https://www.alphaholdings.gr/en/corporate-governance/committees>).

### **Risk Management Committee**

The specific duties and responsibilities of the Risk Management Committee are set out in its Charter, which is posted on the Company's website (<https://www.alphaholdings.gr/en/corporate-governance/committees>).

### **Remuneration Committee**

The specific duties and responsibilities of the Remuneration Committee are set out in its Charter, which is posted on the Company's website (<https://www.alphaholdings.gr/en/corporate-governance/committees>).

### **Corporate Governance, Sustainability and Nominations Committee**

The specific duties and responsibilities of the Corporate Governance, Sustainability and Nominations Committee are set out in its Charter, which is posted on the Company's website (<https://www.alphaholdings.gr/en/corporate-governance/committees>).

## **2.2. EXECUTIVE COMMITTEE**

In accordance with Greek law 4548/2018 and the Articles of Incorporation, the Board of Directors has established as of 2 December 2019 (at the time "Alpha Bank S.A.") an Executive Committee.

The Executive Committee acts as a collective corporate body of the Company. The Committee's powers and authorities are determined by way of a CEO act, delegating powers and authorities to the Committee.

The specific duties and responsibilities of the Executive Committee, as well as the principles and the framework for its operation, are set out in its Charter.

## **2.3. ORGANIZATIONAL STRUCTURE**

The Company's organizational structure complies with the current principles of the regulatory and legislative framework governing the operation of financial holding companies while fully reflecting firm organizational principles. In addition, it allows a common business culture and growth to emerge, while avoiding, at the same time, the creation of overlapping, competing competences and staying in line with the needs of the key business sectors in which the Company and the Group operates.

The organization of the Company is reflected through its organizational structure and the structure of its individual Units, the allocation of tasks, the delegation of powers, and the clear definition of responsibilities.

The organizational structure of the Company is clearly defined and is recorded through the organization chart with a clear administrative hierarchy.

The Company's activities are carried out through functional areas in which one or more Units operate. The clear definition of responsibilities and limits of responsibility per functional area and Unit ensures the efficiency of the Company's operations and the avoidance of cases of conflict of responsibilities and interests.

A reverse service level agreement (RSLA) has been entered into between the Company and Alpha Bank S.A., in order for the latter, as servicer, to support the operations of the former in all other areas, including HR, accounting, legal, regulatory etc.

In addition to the services referring to RSLA, the Bank may provide ad hoc services within its remit/jurisdiction.

### **CHAPTER 3 – INTERNAL CONTROL SYSTEM (ICS)**

The Internal Control System, on which the Company places great emphasis, comprises all mechanisms and procedures relating to all the activities of the Company at individual and Group level and is designed to ensure:

- the consistent implementation of the business strategy with an effective utilization of the available resources,
- the identification and management of all risks undertaken to achieve business objectives,
- the completeness and the reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the generation of reliable Financial Statements,
- the compliance with the current regulatory framework, the internal regulations, the rules of ethics,
- the prevention and avoidance of erroneous actions that could jeopardize the reputation and interests of the Company, the Shareholders and those transacting with it,
- the effective operation of the IT systems in order to support the business strategy and the secure circulation, processing and storage of critical business information.

The Internal Control System is structured along the three lines of defense model: the business and operational or support units (first line); the risk management and compliance functions (second line) and the internal audit function (third line).

#### **3.1. INTERNAL AUDIT FUNCTION**

Internal Audit is an independent, objective, assurance and consulting activity, designed to add value and improve the internal control system of the Company and the Group. The Internal Audit adheres to national and international professional standards. The Head of Internal Audit is an executive of the Company appointed by the Board of Directors, operationally independent and acting objectively while exercising his duties, having the appropriate professional knowledge and experience.

#### **3.2. COMPLIANCE FUNCTION**

The Compliance Function is responsible for the monitoring of Compliance Risk management of the Company at individual and Group level, as per the duties and responsibilities included in its Charter.

Compliance Risk is the risk that affects the business model, the reputation and the financial status of the Company, due to failure to comply with the legislation applicable to the Company, the regulatory Acts issued by the Authorities, the Code of Ethics, as well as the internal procedures.

The Compliance Function is independent and has access to all data and information necessary to carry out its duties.

#### **3.3. RISK MANAGEMENT FUNCTION**

Alpha Services and Holdings commits to achieving a strong control environment, and a distinctive risk management capability in order to meet its performance objectives and to achieve continuous improvement in the area of risk management.

The Risk Management Function is independent from any executive activities and Units. All Risk Management Policies and Frameworks are approved by the appropriate Committees and are based on the following guiding principles. They are:

- risk-appetite driven;
- an integral part of business strategy and decision making;
- responsibility driven;
- transparent through clear communication lines;
- documented appropriately, ensuring that all risk identification, assessment, monitoring, reporting, control/mitigation, activities and systems perform as required;
- structured appropriately, ensuring that adequate information and reporting mechanisms are provided to all levels of Management.

### **3.4. PERIODICAL APPRAISAL OF ICS**

The Internal Control System assessment is carried out every three years and upon the conclusion of the assessment a Report is being prepared where the auditors' findings are outlined along with their analysis and conclusions.

## **CHAPTER 4 - POLICIES AND COMPLIANCE PROCEDURES**

The Company takes appropriate actions to ensure that its policies and procedures pursued are in line with the applicable regulatory framework, related guidelines and best practices. The Company's policy framework includes, inter alia, the following Codes, Policies and Procedures:

- Hellenic Corporate Governance Code
- Policy on the Prevention of Conflict of Interests
- Market Abuse Prevention Policy and Procedures
- Policy on Related Parties Transactions
- Whistleblowing Policy and Procedures
- Suitability and Nomination Policy for the Members of the Board of Directors
- Policy for the Evaluation of Senior Executives and Key Function Holders
- Diversity Policy
- Induction and Training Policy for the Members of the Board of Directors
- Training Policy for all staff
- Sustainability Policies
- Remuneration Policies
- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy

## **CHAPTER 5 – APPENDIX I**

*[This section contains a table of policies, procedures and charters that complement and consist a part of the present Internal Governance Regulation]*