



**ALPHA  
SERVICES AND HOLDINGS**

## **Remuneration Committee**

### **Charter**

**SEPTEMBER 2021**

## **Charter of the Remuneration Committee**

### **1. Preamble**

- 1.1. The present Charter is a document of Alpha Services and Holdings S.A. (the “Company”) that sets the principles and the framework for the proper operation of the Remuneration Committee (the “Committee”).
- 1.2. The Committee has been established and operates in accordance with all applicable laws and regulations.

### **2. Scope**

The Committee assists the Board of Directors in achieving the following objectives:

- 2.1. Ensuring that the Group Remuneration Policy as well as the “Remuneration Policy of the Members of the Board of Directors as per the provisions of Law 4548/2018”:
  - Are consistent with the values, culture, business strategy, risk appetite and strategic objectives of the Company and the Subsidiaries (the “Group”);
  - Align the interests of the Company’s executive leadership and Management with the long-term interests of the Company and its Shareholders, taking into consideration the interests of all other Stakeholders of the Company and the Group;
  - Discourage excessive risk-taking, promote effective risk management and prevent the emergence of conflicts of interest or minimize any conflicts of interest that might arise;
  - Outline a clear and transparent process for the determination of remuneration within the Company and the Group;
  - Maintain a fair and competitive variable remuneration structure for the Company and the Group, within the framework of the law. For this purpose, the Committee considers the use of appropriate tools and mechanisms available to the Company;
  - Comply with the applicable legislation and regulations;
  - Promote the sustainability and long-term prospects of the Company’s operations and enhance transparency;
  - Are gender-neutral according to the provisions of the relevant European Banking Authority (EBA) Guidelines.
- 2.2. Making fair, balanced and sound judgments with regard to the remuneration of individuals who hold key positions across the Company and the Group.
- 2.3. Providing guidance regarding the Executives’ evaluation and ensuring that the Company and the Group adequately manage talent through an effective evaluation process.

### **3. Composition**

- 3.1. The Committee consists of no fewer than three Members and no more than 40% of the total number of the Members of the Board of Directors of the Company (rounded to the nearest whole number), excluding the representative of the Hellenic Financial Stability Fund (the “HFSF”). The exact number of the Members of the Committee is determined by the Board of Directors or the General Meeting of Shareholders. All Committee Members are Non-Executive Members, the majority of whom are Independent (excluding the HFSF representative). The representative of the HFSF is a Member of the Committee. The Committee includes one Member of the Risk Management Committee and one of the Audit Committee to ensure the proper sharing of information in common areas of interest.
- 3.2. The Chair of the Committee (the “Chair”) is an Independent Non-Executive Member of the Board of Directors. The Member of the Committee to be appointed as its Chair should have served on the Committee as a Member for at least one year.
- 3.3. The Members of the Committee should have collectively appropriate knowledge, skills and professional experience concerning remuneration policies and practices, risk management and control activities as well as concerning the incentives and risks that can arise therefrom. At least one Member should have sufficient professional experience in risk management.

### **4. Tenure**

- 4.1. The Chair and the Members of the Committee are appointed for a period of four years, by a resolution of the Board of Directors, on the recommendation of the Corporate Governance, Sustainability and Nominations Committee. They may be appointed for up to eight years from the date of their first appointment. To the extent possible, changes to the Committee’s composition shall occur in a staggered manner.

### **5. Functioning**

- 5.1. The Committee convenes at least quarterly per year and may invite any Member of the Management or Executive to attend its meetings. The Head of Human Resources is a regular attendee of the Committee meetings.
- 5.2. The Chair shall convene a meeting of the Committee if any Member deems that such a meeting is necessary. The representative of the HFSF may convene an extraordinary meeting if the Chair has not convened such a meeting within seven days from the submission of the relevant request by the HFSF representative. In this case, the meeting is convened within five days from the expiration of the seven-day period.

- 5.3. The Chair, with the support of the Secretary, sets the agenda of each Committee meeting. The agenda and the accompanying materials are sent to the Members of the Committee at least five business days prior to the scheduled date of the meeting. At the discretion of the Committee Chair, accompanying materials relating to specific agenda items may exceptionally be submitted less than five business days prior to the meeting. The representative of the HFSF may request the addition of specific items to the agenda.
- 5.4. The Chair shall ensure that minutes of Committee meeting proceedings (the “Minutes”) are appropriately kept by the Secretary. The Committee shall approve the Minutes of each meeting in the subsequent meeting and then the Chair and the Members shall sign them.
- 5.5. Any Member of the Committee may request that his/her opinion should be recorded in the Minutes.
- 5.6. The Committee may request and receive all information within the Company that the former deems important for the proper discharge of its responsibilities. Where necessary, the Committee ensures the proper involvement of the internal control functions and other relevant functions of the Company within their respective areas of expertise.
- 5.7. The Chair regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal annual report on the work of the Committee conducted during the previous year, parts of which are included in the annual Corporate Governance Statement.
- 5.8. The Committee reviews the appointment of external remuneration consultants that the Non-Executive Members may decide to engage for advice or support.

## **6. Decision-making procedure**

- 6.1. The Committee shall be deemed in quorum when at least three Members are present, whether physically or by videoconference.
- 6.2. In the absence of the Chair, the Committee is chaired by the Independent Non-Executive Member with the longest tenure on the Board of Directors among those present.
- 6.3. Decisions shall be passed by majority vote with the Chair (or his/her replacement) having the casting vote. In case there is no unanimous decision, the views of the minority shall be recorded in the Minutes. Non-unanimous decisions shall be reported as such to the Board of Directors.
- 6.4. Decisions may be approved through the circulation of documents to all Members and the approval of the Minutes documenting such decisions.

## **7. Responsibilities**

The Committee has the following responsibilities:

### Remuneration

- 7.1. Provides its support and advice to the Non-Executive Members of the Board of Directors on the design of the Remuneration Policies for the Company and the Group, according to the relevant legislative and regulatory provisions.
- 7.2. Supports the Non-Executive Members of the Board of Directors in overseeing the Remuneration Policies as well as the relevant practices and processes and their compliance with the Remuneration Policies.
- 7.3. Checks whether the existing Remuneration Policies are still up to date and, if necessary, makes proposals for changes.
- 7.4. Is informed annually by each Subsidiary of the fixed annual remuneration, or any changes thereof, of the Non-Executive Members of its Board of Directors, in order to ensure that the remuneration approach adopted by each Subsidiary complies with the principles of the Group Remuneration Policy and of each Subsidiary's Remuneration Policy, if such a Policy exists.
- 7.5. Recommends to the Non-Executive Members the remuneration of the Members of the Board of Directors.
- 7.6. Reviews and advises on fixed salaries, benefits and the total compensation within the Company.
- 7.7. Reviews the variable remuneration framework. Advises on variable remuneration schemes, where these are permitted, for Employees across the Company and the Group, and proposes the total envelope for variable remuneration across the Company and the Group.
- 7.8. Ensures that the Remuneration Policy and practices of the Company are subject to a central and independent internal review at least annually.
- 7.9. On an annual basis, reviews and reports findings on remuneration data from the Group to the Board of Directors, with a view to monitoring the consistent application of the Remuneration Policies, assessing alignment with corporate goals and ensuring that the remuneration program is completely aligned with the risk appetite framework.
- 7.10. On an annual basis (or as required), reviews the audit reports prepared by the Internal Audit Unit regarding the implementation of the Remuneration Policy

throughout the Group and considers proposals for the revision thereof in alignment with the Group's objectives.

- 7.11. Reviews the parts of the Annual Report relevant to remuneration and the relevant disclosures to the General Meeting of Shareholders and makes relevant recommendations to the Board of Directors.
- 7.12. Assesses the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall Remuneration Policies are consistent with and promote sound and effective risk management and are in line with the business strategy, objectives, corporate culture, values and long-term interests of the Company.
- 7.13. Works closely together with the Board of Directors, the Audit Committee and the Risk Management Committee to ensure that the Remuneration Policies are consistent with and promote sound and effective risk management.
- 7.14. Assesses the achievement of performance targets and the need for ex-post risk adjustment, including the application of malus and clawback arrangements.
- 7.15. Reviews a number of possible scenarios to test how the Remuneration Policies and practices react to external and internal events and back-test the criteria used for determining the award and the ex-ante risk adjustment based on the actual risk outcomes.
- 7.16. Assesses the alignment of the remuneration policy with the Company's Environmental, Social and Governance (ESG) objectives, e.g. long-term resilience of the business strategy under ESG considerations and risk appetite, in order to avoid conflicts of interest when business decisions are made and to facilitate the implementation of ESG risk-related objectives.

#### *Executives' and Human Resources' Evaluation*

- 7.17. Reviews the performance of the Executive Members of the Board of Directors (the "Executive Members"), the General Managers and the Key Function Holders of the Company, where applicable, based on the input that it receives from the evaluators, in accordance with the provisions of the "Policy for the Evaluation of Senior Executives and Key Function Holders".
- 7.18. Validates the Evaluation Scorecards and goals of the Executive Members, the General Managers and the Key Function Holders, where applicable.
- 7.19. Discusses potential performance-related remuneration for the Company's Executive Members, General Managers and Key Function Holders, before submitting its proposals to the Board of Directors for final approval.

- 7.20. Provides input to the Corporate Governance, Sustainability and Nominations Committee regarding potential amendments to the “Policy for the Evaluation of Senior Executives and Key Function Holders”, where applicable.
- 7.21. Ensures that adequate policies and processes for the regular performance evaluation of Senior Executives and Key Function Holders of the Company and of the Group Staff are in place, adequately implemented and in alignment with the Remuneration Policy and Human Resources policies and processes (including Staff succession planning and talent management systems).

Collaboration with Other Committees of the Board of Directors

- 7.22. Collaborates with other Committees whose activities may have an impact on the design and proper functioning of Remuneration Policies and practices (e.g. Risk Management, Audit and Corporate Governance, Sustainability and Nominations Committees) and provides adequate information to the Non-Executive Members, and, where appropriate, to the General Meeting of Shareholders.
- 7.23. Makes recommendations to the Non-Executive Members on the design of the remuneration package and the amounts of remuneration to be paid to the Chief Risk Officer (CRO), to the Head of Internal Audit and to the Head of Compliance, fully taking into account the opinion of the Audit Committee and the Risk Management Committee.
- 7.24. Cooperates with the Audit Committee and the Risk Management Committee, as required, when their policies and procedures influence the design and implementation of the Remuneration Policies.

Other

- 7.25. Is empowered to call on in-house resources and external third-party advisors to carry out its mandates.
- 7.26. Reviews the Group’ Remuneration Committees Annual Activity Reports regarding the fulfillment of their responsibilities, where applicable.

**8. Review of the Charter**

The present Charter is reviewed annually by the Committee, which may propose relevant amendments to the Board of Directors for approval.