



**ALPHA
SERVICES AND HOLDINGS**

Risk Management Committee

Charter

APRIL 2024

Charter of the Risk Management Committee

1. Preamble

- 1.1. The present Charter is a document of Alpha Services and Holdings S.A. (the “Company”) that sets out the principles and the framework for the proper operation of the Risk Management Committee (the “Committee”).
- 1.2. The Committee has been established and operates in accordance with all applicable laws and regulations. Its structure and responsibilities have changed over the years and will continue to evolve in line with the regulatory and supervisory framework and industry best practices.
- 1.3. The Committee assists the Board of Directors in the discharge of its responsibilities, facilitates its operations and effectively supports its decision-making.

2. Scope

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

- 2.1. Promoting a sound risk culture at all levels throughout the Company and its Subsidiaries (the “Group”), fostering risk awareness and encouraging open communication and challenge across the Organization.
- 2.2. Ensuring that the risk and capital management strategies correspond to the business objectives of the Company and the Group.
- 2.3. Ensuring that the Company and the Group adopt a well-defined risk appetite statement and framework, which are embedded across the Organization and cascade into limits per country, sector and Business Area. The Committee ensures that the Group’s strategy, budget process, capital and liquidity planning and remuneration framework are aligned with the risk appetite framework and that the Company adequately embeds Environmental, Social and Governance (ESG) risks in the overall risk appetite statement and framework, business strategy and risk management framework.
- 2.4. Overseeing the adequacy and effectiveness of the risk management policies and procedures of the Company and the Group.
- 2.5. Overseeing the implementation of effective mitigating and corrective measures with regard to key areas of risk or risks exceeding the established thresholds, in cooperation with the Audit Committee, as appropriate.
- 2.6. Ensuring that there is an adequate level of communication on risk management issues among the Internal Auditor, the External Auditors, the Supervisory Authorities, the Audit Committee and the Board of Directors.

- 2.7. Overseeing the effectiveness and performance of the Chief Risk Officer (CRO) of the Company.

3. Composition

- 3.1. The Committee consists of no fewer than three Members. 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 of the Board of Directors and the majority thereof are Independent. The Committee generally includes one Member of the Audit Committee to ensure proper sharing of information in common areas of interest.
- 3.2. The composition of the Committee is proposed to the Board of Directors by the Corporate Governance, Sustainability and Nominations Committee, taking into account the “Suitability and Nomination Policy for the Members of the Board of Directors” as well as the respective legal and regulatory framework.
- 3.3. The Chair of the Committee (the “Chair”) is an Independent Non-Executive Member of the Board of Directors with significant experience in the financial sector. The Chair of the Committee cannot simultaneously act as Chair of the Board of Directors or of any other Board Committee.
- 3.4. All the Members of the Committee should have prior experience in the financial services sector and, individually and collectively, appropriate knowledge, skills and expertise concerning risk management and control practices. One Member should be in charge of overseeing ESG risk issues, who will provide the Corporate Governance, Sustainability and Nominations Committee with a briefing on ESG-related discussions held at the Committee and will exchange information regularly with the Member in charge of overseeing ESG issues of the Corporate Governance, Sustainability and Nominations Committee for efficient coordination.

4. Tenure

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. The tenure of the Chair of the Committee should not normally exceed six years accumulatively from the time of his/her election. 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 on a quarterly basis and may invite any Member of the Group’s Management or Executive to attend its meetings. The CRO is a regular attendee of the Committee meetings and has unhindered access to the Chair and the Members. The CRO, while administratively

reporting to the Chief Executive Officer (CEO), shall report functionally to the Board of Directors through the Committee.

- 5.2. The Chair shall convene a meeting of the Committee, if any Member deems that such a meeting is necessary.
- 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.
- 5.4. The Chair shall ensure that minutes of the Committee meetings (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 and data from relevant corporate and control functions (e.g. legal, finance, human resources, IT, internal audit, risk, compliance, including information on AML/CTF compliance and aggregated information on suspicious transaction reports and ML/TF risk factors) that it deems important for the proper discharge of its responsibilities. Furthermore, the Committee may receive regular reports, ad hoc information, communications and opinions from the Heads of internal control functions on the current risk profile of the Company, its risk culture and its risk limits as well as on any material breaches that may have occurred, with detailed information on and recommendations for corrective measures taken, to be taken or suggested to address them and it may periodically review and decide on the content, format and frequency of the information on risk to be reported to it. Where necessary, the Committee ensures the proper involvement of the internal control functions and other relevant functions of the Company (human resources, legal, finance) within their respective areas of expertise and/or seeks external expert advice.
- 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 Company's annual Corporate Governance Statement.

6. Decision-making procedure

- 6.1. The Committee shall be deemed in quorum when at least three Members are present, whether physically, by videoconference or by teleconference.

- 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:

Risk Culture

- 7.1. Overviews the development of a sound risk culture at all levels throughout the Company and its Subsidiaries as well as its implementation and makes respective recommendations to the Board of Directors, related, *inter alia*, to the following:
 - the establishment of clear and documented Policies incorporating the principles, values and procedures, which ensures a sound risk culture;
 - the setting out and the communication of the Company's core values and expectations to all Staff;
 - the promotion, the monitoring and the assessment of the risk culture of the Company, making changes where necessary.

Risk Appetite and Strategy

- 7.2. Reviews regularly and recommends to the Board of Directors for approval the risk and capital management strategy, ensuring alignment with the business objectives of the Company and the Group.
- 7.3. Reviews and recommends annually to the Board of Directors for approval the Group's risk appetite framework and statement, considering also ESG risks, i.e. the risks of any negative financial impact on the Company, stemming from the current or prospective impacts of ESG factors on its counterparties, such as climate-related risks, and ensuring alignment with the Group's strategic objectives and capital allocation.
- 7.4. Receives regular reports from the CRO and the Chief Financial Officer (CFO) on the implementation of the risk strategy and risk appetite of the Company and the Group.

- 7.5. Makes recommendations to the Board of Directors on corrective actions in case of deviations from the risk appetite.
- 7.6. Reviews, where appropriate, a number of possible scenarios, including stress scenarios, to assess how the Company's risk profile would react to external and internal events.

Risk Policies

- 7.7. Determines the principles which govern risk management across the Company and the Group in terms of the identification, measurement, monitoring, control and mitigation of risks.
- 7.8. Recommends to the Board of Directors for approval high-level policies on the management of risks.
- 7.9. Recommends to the Board of Directors for approval ESG risk policies.
- 7.10. Periodically reviews reports on the implementation of risk policies and proposes to the Board of Directors amendments, modifications and corrective measures as necessary. In particular, the Committee, in coordination with the Audit Committee, takes into account relevant reports prepared by Internal Audit and External Auditors regarding:
 - The observance and the effectiveness of risk management policies and procedures;
 - The observance and the completeness of policies and procedures regarding the impairment of assets and any possible alterations thereof during the fiscal year.
- 7.11. Reviews on an annual basis or whenever it deems necessary a report from the CRO on the adequacy and the overall effectiveness of the risk policy framework of the Company and the Group.

Risk Management Framework

- 7.12. Oversees the adequacy of the internal risk management system and its integration into operational decision-making processes across the Company and the Group.
- 7.13. Monitors the ongoing effectiveness, governance and independence of the Risk Management Function in the Company and across the Group and ensures that it is adequately resourced. The Risk Management Function shall be administratively independent of the business lines and areas whose risks it controls and shall report to the Board of Directors through the Committee.

- 7.14. Monitors that the Company adequately embeds ESG risks in the overall risk appetite statement and framework, business strategy and risk management framework.
- 7.15. Performs the oversight of the regulatory risk reporting on ESG matters.
- 7.16. Evaluates on an annual basis or more frequently, if necessary, the appropriateness of risk identification and measurement systems, methodologies and models, including the capacity of the Company's IT infrastructure to record, report, aggregate and process risk-related information.
- 7.17. In consultation with the CEO, recommends to the Board of Directors for approval the appointment or removal of the CRO.
- 7.18. Is responsible for reviewing and approving the CEO's evaluation of the CRO, discusses his performance and objectives as well as reviews, amends, if required, and approves the CRO Scorecard and goals, in accordance with the provisions of the "Policy for the Evaluation of Senior Executives and Key Function Holders".
- 7.19. Reviews and endorses the CRO's successor(s) list and submits it to the Board of Directors for approval through the Corporate Governance, Sustainability and Nominations Committee, in accordance with the provisions of the "Policy for the Succession Planning of Senior Executives and Key Function Holders".
- 7.20. Approves the nature, structure, format and frequency of risk reports to be submitted by the CRO to the Committee and ensures regular and high-quality reporting by the CRO to the Board of Directors.
- 7.21. Provides the Board of Directors with recommendations on necessary adjustments to the risk strategy resulting from, inter alia, changes in the business model of the Company, market developments or recommendations made by the Risk Management Function.

Risk Profile

- 7.22. On a quarterly basis, discusses a report by the CRO on the Company's and the Group's risk profile and performance against the risk appetite statement for the said period and the Key Risk Indicators set therein.
- 7.23. Ensures that the Board of Directors is appropriately informed of the most significant risks facing the Company and the Group.

Capital and Liquidity

- 7.24. Reviews the Annual Group's Internal Capital Adequacy Assessment Process (ICAAP)/Internal Liquidity Adequacy Assessment Process (ILAAP) and related target ratios and recommends their approval to the Board of Directors.

- 7.25. Reviews the availability of resources for the conduct of firm-wide stress tests, approves the Company's firm-wide stress test scenarios and considers the results of stress tests.
- 7.26. Assesses the overall effectiveness of capital planning, allocation processes and systems and the allocation of capital requirements to risk types.

Collaboration with Other Committees of the Board of Directors

- 7.27. Collaborates with the Corporate, Governance, Sustainability and Nominations Committee and the Audit Committee as necessary on the effective oversight of the mitigation of certain key areas of risk, including climate-related or other ESG risks and capital management and their repercussions on the Internal Control System. The Committee also convenes jointly with the Audit Committee to discuss and review issues relevant to the remediation plans connected to regulatory/supervisory assessments and certain operational risk or other issues of importance and common interest.
- 7.28. Advises the Remuneration Committee on the alignment of remuneration with the risk appetite. The Committee, without prejudice to the tasks of the Remuneration Committee, examines whether the incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings.
- 7.29. Consults with the Remuneration Committee on the remuneration of the CRO, prior to the Remuneration Committee submitting its proposal to the Board of Directors.

Other

- 7.30. Keeps itself informed of recent regulatory developments, emerging supervisory expectations, the results of supervisory requests and the Supervisory Review and Evaluation Process (SREP) conclusions.
- 7.31. Ensures the availability of resources, within and outside the Company, required to support the work of the Committee.
- 7.32. Provides advice on the appointment of external consultants on risk management issues, whom the Board of Directors may decide to engage for advice or support.
- 7.33. Meets on a regular basis with the Group's Risk Management Committees and reviews their Annual and Semi-Annual Activity Reports regarding the fulfilment of their responsibilities.

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.