

CORPORATE GOVERNANCE STATEMENT 2017

1. Corporate Governance Code and Practices

In compliance with the Greek legislation as well as with the Bank's contractual obligations to the Hellenic Financial Stability Fund (HFSF) and based on the international best practices on corporate governance, Eurobank Ergasias S.A. ("the Bank" or "Eurobank"), has adopted and implements a Corporate Governance Code ("Code"), which describes its basic corporate governance principles. The Code and relevant corporate governance practices are available on the Bank's website (www.eurobank.gr).

2. Board of Directors¹

2.1 General

The Bank is headed by a Board of Directors (Board) which is collectively responsible for the long-term success of the Bank. The Board exercises its responsibilities effectively and in accordance with the Greek legislation, international best practices and the Bank's contractual obligations to the HFSF under the Relationship Framework Agreement (RFA) signed between the Bank and the HFSF.

The Board's role is to provide entrepreneurial leadership to the Bank and its subsidiaries (collectively the "Group") within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Group's strategic aims, ensures that the necessary financial and human resources are in place for the Group to meet its objectives and reviews management performance. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and others are understood and met. All Directors must act in what they consider to be the best interests of the Group, consistent with their statutory duties.

2.2 Composition of the Board

The members of the Board are elected by the Bank's General Meeting which also determines the exact number of the directors, within the limits of the Law and of the Bank's Articles of Association, their term of office and designates the independent non-executive directors. The current Board, as of the date of approval of the here-in Statement, consists of thirteen (13) Directors of whom, three (3) executives, three (3) non-executives, six (6) independent non-executives and one (1) representative of the HFSF, who has been appointed (as non-executive Director) in accordance with relevant legal requirements. The Board's term of office, following the resolution of the Bank's Annual General Meeting held on June 26, 2015, expires on June 27, 2018, and in any case until the date the Bank's Annual General Meeting for the year 2018 will take place.

The appointments of Mr. George E. Myhal on 26 October 2016 and of Mr. Richard P. Boucher on 12 January 2017 as new independent non-executive members of the BoD, in replacement of resigned members in 2016, were announced to the General Meeting of the Shareholders of the Bank which took place on 16 June 2017.

In addition, the Bank announced on 7 April 2017 that Mr. Wade Sebastian Burton, non-executive member of the Bank's Board, submitted his resignation, effective as of 5 April 2017, while the Board at its meeting on 28 April 2017 decided to retain a size of 13 members, according to the HFSF corporate governance review criteria developed as per the relevant provisions of Law 3864/2010.

Moreover, the Bank announced on 14 July 2017 that Ms. Androniki Boumi has been appointed as new representative of the Greek State to the Bank's Board according to the provisions of Law 3723/2008, in replacement of Ms. Christina Andreou who informed the Bank on her resignation on 26 May 2017, while with the BoD decision of 20 July 2017, Ms. Androniki Boumi was integrated to the Bank's BoD. Furthermore, on 12 October 2017, the Bank announced the appointment of Mr. Christoforos Koufalias as the new representative of the HFSF to Eurobank's BoD in replacement of Mr. Kenneth Howard Prince-Wright, according to the provisions of Law 3864/2010 and the RFA. The appointment of both BoD members was announced to the Extraordinary General Meeting of the Shareholders of the Bank, which took place on 3 November 2017.

Additionally, the Bank announced on 14 December 2017 the appointment of Ms. Aikaterini Beritsi as the new representative of the HFSF to Eurobank's BoD in replacement of Mr. Christoforos Koufalias according to the provisions of L.3864/2010 and the RFA. The appointment of the new member of the BoD will be announced to the next General Meeting of the Shareholders of the Bank.

Finally, further to the full redemption on 17.01.2018 of the preference shares issued by the Bank and subscribed to by the Greek State (Pillar I) and the full repayment on 30.10.2017 of the Pillar II bonds issued by the Bank under the Greek State guarantee, Eurobank's BoD acknowledged on 09.03.2018 that the Bank ceased to be subject to the provisions of the

¹ Information regarding the Board's composition is included in note 53 of the consolidated accounts and short biographical details of its members may be found at the bank's website (www.eurobank.gr).

Greek Economy Liquidity Support Program under Law 3723/2008 and that the Greek State's right to participate, through its representative, to the Bank's BoD has ceased to exist as of 17.01.2018. Moreover, the BoD decided that Ms. Androniki Boumi is appointed to the Bank's BoD as non-executive Director, her tenure being equal to the tenure of the other BoD members. The appointment of Ms. Androniki Boumi in the BoD under her new capacity will be announced at the next General Meeting of the Shareholders of the Bank.

The Board currently consists of the following members:

		First appointment	End of Term
Nikolaos V. Karamouzis	Chairperson, Non-Executive	Feb. 2015	2018
Fokion C. Karavias	Chief Executive Officer	Jun. 2014	2018
Stavros E. Ioannou	Deputy Chief Executive Officer	Apr. 2015	2018
Theodoros A. Kalantonis	Deputy Chief Executive Officer	Apr. 2015	2018
Androniki Boumi	Non-Executive Director	Jul. 2017	2018
George K. Chryssikos	Non-Executive Director	Jun. 2014	2018
Richard P. Boucher	Non-Executive Independent Director	Jan. 2017	2018
Stephen L. Johnson	Non-Executive Independent Director	May 2015	2018
Bradley Paul L. Martin	Non-Executive Independent Director	Jun. 2014	2018
Jawaid A. Mirza	Non-Executive Independent Director	Jun. 2016	2018
George E. Myhal	Non-Executive Independent Director	Oct. 2016	2018
Lucrezia Reichlin	Non-Executive Independent Director	Jun. 2016	2018
Aikaterini Beritsi	Non-Executive Director, HFSF Representative	Dec. 2017	2018

There are no restrictions in the re-election and cessation of Directors in the Bank's Articles of Association. The Board, may decide with a resolution of its remaining members, provided that they are at least three (3), to elect new members in order to replace those whose membership has lapsed (due to resignation, death or in any other way). In any such case of members whose membership has lapsed, the Board is entitled to continue the management and representation of the Bank, without being obliged to replace the lapsed members, provided that the number of the remaining members exceeds half of the number of the members prior to the event that led to the lapse of their membership and, in any case, is not less than three (3).

According to the Bank's Articles of Association, the Board may consist of three (3) to twenty (20) members, while, under the RFA, this range has been specifically set to be between seven (7) and fifteen (15) members (including the representative of the HFSF). In addition, according to the RFA, (a) the number of the Board's members must always be odd, (b) the majority of the directors must be non-executive members with at least half of the non-executive members (rounded to the nearest integer) and in any case not less than three (3) (excluding the representative of the HFSF), being independent non-executive members in accordance with the provisions of Law 3016/2002 on corporate governance and the European Commission Recommendation 2005/162/EC and (c) the Board should include at least two (2) executive members. For any differentiations from RFA's provisions the HFSF's prior consent should be received. Furthermore, according to the HFSF corporate governance review criteria developed as per the relevant provisions of Law 3864/2010, the target size of the Board should be up to thirteen (13) members.

2.3 Provisions of Law 3864/2010, as in force, regarding the composition of the Board

Law 3864/2010, as in force, has introduced certain minimum requirements with respect to the size, the structure and the members of the Board and the Board Committees of the credit institutions whose corporate governance framework may be assessed by the HFSF according to the relevant provisions of Law 3864/2010. In particular, Board members must (i) have a minimum of ten years of experience as senior executives in banking, auditing, risk management or management of risk-bearing assets, with three years of experience, with respect to the non-executive members, as board members of a credit institution, a financial sector enterprise or an international financial institution, (ii) not serve or have been entrusted during the last four years with prominent public functions, such as heads of state or of government, senior politicians, senior government, judicial or military officials or prominent positions as senior executives of state owned corporations or political party officials, and (iii) have declared any economic connections with the credit institution prior to their appointment. In addition, the Board must comprise at least: (i) three experts as independent non-executive directors, with sufficient knowledge and international experience of at least 15 years with financial institutions of which at least three years as members of an international banking group which is not active in the Greek market unrelated to any Greek credit

institution during the past decade, which shall chair all board committees, and (ii) one member with at least five years of international experience and specialisation in risk or NPL management, who shall be responsible for NPL management at board level and shall chair any special board committee for NPL management, which regarding the Bank, HFSF, after consultation with European Central Bank (ECB) and Single Supervisory Mechanism (SSM), acknowledged that such committee is the Board Risk Committee. Furthermore, and based on the provisions of article 10, par. 6 of Law 3864/2010, the HFSF with the assistance of an independent consultant has developed additional criteria as to the eligibility of individual Board members.

2.4 HFSF's rights according to Law 3864/2010 and the RFA

According to the Law 3864/2010 the HFSF for the realization of its objectives and the exercise of its rights a) determines the framework of the RFA or of the amended RFA, as the case may be, with all credit institutions that are or have been beneficiaries of financial assistance provided by the European Financial Stability Fund (EFSF) or the European Stability Mechanism (ESM) and b) the credit institutions should sign the mentioned RFA. In this context, a new RFA was signed between the Bank and the HFSF on 4.12.2015 with immediate effect, replacing the previous one dated 26.8.2014.

The RFA regulates, among others, (a) the corporate governance of the Bank, (b) the Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Bank's Non-Performing Loans (NPL) management framework and of the Bank's performance on NPL resolution. Furthermore it deals with (d) the Material Obligations and the switch to full voting rights, (e) the monitoring of Bank's actual risk profile against the approved Risk and Capital Strategy, (f) the HFSF's prior written consent for the Bank's Group Risk and Capital Strategy and for the Bank's Group Strategy, Policy and Governance regarding the management of its arrears and non-performing loans and any amendment, extension, revision or deviation thereof, and (g) the duties, rights and obligations of HFSF's Representative in the Board.

According to the RFA provisions, HFSF appoints its Representative by a simple written notice addressed to the Chairperson of the Board. The Board shall immediately approve his/her appointment and take all necessary actions according the Bank's Articles of Association and Company Law 2190/1920 for the completion of this appointment, including the required notification to the General Meeting. In case such appointment exceeds the number of the elected Board members by the General Meeting or goes beyond the maximum number of members of which, according to the Bank's Articles of Association, may be elected in its Board, the Bank should immediately convene an Extraordinary General Meeting for the election of the new member in the Board and proceed if necessary, with a relevant amendment to its Articles of Association for the increase of the number of the Board's members in the Board.

Furthermore, according to RFA provisions, HFSF is entitled to appoint one Observer in the Bank's Board, who has no voting rights in the Board. HFSF appoints its Observer or his/her replacement by a simple written request addressed to the Chairperson of the Board. His/her appointment is completed immediately from the receipt by the Bank of the said written request with no further procedures to be required. The Observer is HFSF's portfolio manager acting as the contact person with the Bank and explicitly charged with the monitoring of the Bank.

Regarding the Board operations, the HFSF's Representative has the right to: a) request the convocation of the Board, b) add items on its agenda, c) request the postponement of a Board meeting for three (3) business days so as to receive directions from the HFSF's Executive Board, d) veto any resolution of the Board (i) related to dividend distributions and the remuneration policy and the additional compensation (bonus) of Board members, of General Managers or of those to whom the duties of a General Manager have been assigned as well as of their deputies, (ii) that may jeopardise depositors' interests or seriously impact the liquidity or the solvability or in general the prudent and concise operation of the Bank (such as business strategy, asset/liability management etc), (iii) concerning corporate actions resulting in the amendment of the Bank's Articles of Association, including the increase or reduction of the capital or the corresponding authorization to the Board, the mergers, divisions, conversions, revivals, extension of term or dissolution of the Bank, the transfer of assets, including the sale of subsidiaries, or for any other issue requiring increased majority as provided for in Company Law 2190/1920 which may materially impact HFSF's participation in the Bank's share capital, e) approve the Bank's Chief Financial Officer.

HFSF is entitled to review the Bank's annual Board and the Board Committees' self-assessment for the purpose of identifying weaknesses and improving working methods and effectiveness as well to perform its own evaluation of the corporate governance arrangements of the Board and its Committees, with the assistance of independent consultants of international reputation and established experience and expertise, in accordance with the article 10 of Law 3864/2010. This review will be in line with prudent international practices by applying criteria that go beyond supervisory fit and proper requirements.

2.5 Division of responsibilities

There is a clear division of responsibilities at the head of the Bank between the proper operation of the Board and the day-to-day management and control of the Bank's business. The roles of Chairperson and CEO are not exercised by the same person.

The Executive Directors have responsibility for the day-to-day management and control of the Group and the implementation of its strategy. The non-Executive Directors are responsible for the overall promotion and safeguarding of the Bank's interests, constructively challenge and help develop proposals on strategy and approve, revise and oversee the

implementation of the remuneration policy both at Bank and Group level. The Independent non-Executive Directors have the duty, if they consider it necessary; to submit each one of them or jointly to the General Meeting their own reports other than those of the Board on a specific subject.

2.6 Operation of the Board

The Chairperson of the Board chairs the Board and ensures its effectiveness on all aspects of its role. He is non-executive and does not serve as Chairperson of either the Board Risk or the Audit Committees. The CEO is accountable for and manages strategy development and implementation in line with the vision of the Bank. He is responsible for leading the organisation to the achievement of its objectives.

The Board meets regularly every quarter and on an ad hoc basis, whenever the law or the Bank's needs necessitate it, given at least two (2) business days' notice as per Company Law 2190/20 provisions, otherwise a decision is taken only when all members of the Board are present or represented and nobody objects to the convocation of the meeting and to the taking of decisions. In addition, according to the RFA provisions the Board informs the HFSF's Representative and the Observer on the activities and the decisions of the Board and to that end it shall notify to them the agenda together with the relevant supporting material at least three (3) business days prior to the Board meeting, otherwise, unless an emergency case unforeseeable by the Bank exists, the HFSF Representative is entitled to request a postponement of the Board meeting which shall be resumed the earliest after three (3) business days, provided that the aforementioned documents are provided to him/her on time. In case where an item on the agenda requires, as per RFA provisions, the prior HFSF consent, the Bank should not submit it for approval to the Board before HFSF consent is granted, unless otherwise agreed between the Bank and HFSF. For urgent matters, the Board may approve matters subject to subsequent HFSF consent.

The Board is considered to be in quorum and meets validly when at least half plus one of its members are present or represented. The number of the present members is not allowed to be less than three (3). For defining the quorum any resulting fraction is omitted. Decisions of the Board are taken by absolute majority of the Directors that are present or represented. In case of parity of votes, the vote of the Chairperson of the Board does not prevail. During 2017 the Board held eighteen (18) meetings (2016: 26) and the average ratio of the Directors attendance was 95% (2016: 95%). Submissions to the Board are normally circulated together with the agenda. Decisions are taken following discussions which exhaust the agenda items to the satisfaction of all Directors present. Board meetings minutes are kept by the Secretary of the Board, are approved at subsequent Board meetings and signed by all Directors present. The RFA provides for, on an individual basis, compulsory attendance of Board members of at least 85%. Each member may miss up to 15% of individual meetings if a valid excuse is provided. Finally, the drawing up and signing of minutes by all the members of the Board of Directors or their representatives is equal to a decision of the Board of Directors, even if no meeting has preceded.

2.7 Directorships of Board members

The number of directorships which may be held by the Board members at the same time comply with the provisions of Law 4261/2014 (art. 83), according to which the Directors shall not hold more than one (1) of the following combinations of directorships at the same time: a) one (1) executive directorship with two (2) non-executive directorships; and b) four (4) non-executive directorships. This restriction is not applied on directorships within the Group. Bank of Greece (BoG) as the competent authority may authorize Board members to hold one (1) additional non-executive directorship. According to the 2017 review of the Board members directorships, all members are compliant with the provisions of Law 4261/2014.

2.8 Conflict of interest

The Group, based on the "Conflict of Interest Policy and Rules for Personal Transactions" has adopted a series of Policies, measures and procedures that must be followed in order to prevent and manage conflict of interest situations, as encountered in the provision of investment or ancillary services to its clients and in the general business activities of the Group.

To avoid situations of conflicting duties, each company within the Group, segregates the executive and supervisory responsibilities of the members of the Board of Directors, including the division of the responsibilities of the Chairperson of the Board of Directors with the executive responsibilities of the Managing Director. More specifically, by adopting appropriate procedures, effective segregation of duties is ensured, so as to avoid cases of incompatible roles, conflict of interests between the members of the Board of Directors, Management and Executives, but also between the aforementioned and those of the Bank and its transacting parties, as well as the unlawful use of inside information or assets.

The Board members:

- must comply with the high standards and principles of professional ethics in the performance of their duties, apply the principles of the "Conflict of Interest Policy and Rules for Personal Transactions" and refrain from any activity or conduct that is inconsistent with it.
- are prohibited from pursuing personal interests that run counter to the interests of the Bank (or the Group) and must timely disclose to the other members of the Board of Directors of any personal/own interests that may arise from the

Bank's transactions which fall within their line of responsibility, as well as of any other conflict of their own personal interests with those of the Bank or its related companies, which may arise in the course of their duties.

- must ensure the privacy and the confidentiality of non-publicly available information and refrain from behaviors that would constitute market abuse and conflict of interest.

2.9 Remuneration

The Group's remuneration policy promotes sound and effective risk management and is consistent with the objectives of the Bank's business and risk strategy, corporate culture and values, long term interests of the Bank and the measures used to avoid conflicts of interest and should not encourage excessive risk-taking on behalf of the Bank. The 2017 Board and key management remuneration disclosure is included in note 50 of the consolidated accounts. In addition, in order to ensure adequate transparency to the market of the remuneration structures and the associated risks, the Bank discloses in its website www.eurobank.gr, detailed information on the remuneration policies, practices and, for confidentiality reasons, aggregated amounts for those members of staff whose professional activities have a material impact on the risk profile of the Bank, and publishes accordingly all information as per current legislation.

2.10 Main issues the Board dealt with during 2017

In discharging its responsibilities for 2017 the main issues the Board dealt with related to:

a) Governance:

- election of new Board members and approval of Board Committees' composition,
- preparation and convocation of the Bank's Shareholders General Meetings,
- annual evaluation of the Board and the Board Committees,
- approval of the revised Board of Directors Nomination, Board and Board Committees Evaluation and Board of Directors Diversity Policies,
- approval of Senior Management selection and Appointment policy,
- review Senior Executives succession plan,
- approval of the revised Terms of Reference of the Audit Committee as well as of the Nomination Committee,
- regular update on Board Committees' matters,
- various remuneration issues.

b) Corporate and other actions:

approved the following:

- Exchange of bonds issued by the European Financial Stability Fund,
- sale of the Bank's subsidiaries in Romania,
- sale of the Bank's entire remaining share in Grivalia Properties R.E.I.C. S.A.,
- sale of the "King George Hotel" real estate property,
- sale of NPE portfolios,
- selection of the audit firm for conducting the statutory audit of the Bank's financial statements for the period 2018-2022, in the context of a tendering process carried out.

c) Capital adequacy:

- end of participation of the Bank in the Greek Economy Liquidity Support Programme under L.3723/2008,
- update of the Bank's Global Covered Bond issuance program,
- amendment of the program for the issuance of EMTN Programme.

d) Business monitoring:

- approval of the 2016 annual financial statements and the 2017 interim financial statements,
- approval of the annual budget 2017 and the 3-Years Business Plan for the period 2017-2019,
- review and discussion of the Annual Budget 2018 and the 3-Years Business Plan for the period 2018-2020 subsequent approval in January 2018,
- review of the implementation progress of the Restructuring Plan,
- approval of the Bank's Non-Performing Exposures (NPE) Targets for the period 2017-2019 and the NPE management Strategy (SSM targets),
- update on the progress of IFRS 9 thematic review,
- update on significant subsidiaries activities and strategic priorities,
- review of business developments and liquidity.

e) Risk Management and Internal Control:

- briefing on the assessment on Internal Audit Group and Group Compliance annual regulatory reports,
- presentation of the 2017 Internal Capital & Liquidity Adequacy Assessment Process (ICAAP & ILAAP 2017),
- approval of Eurobank's Capital and Liquidity Adequacy Statements and Risk Appetite Statements,
- update on the Group Chief Risk Officer's Annual Report for the year 2016,
- update on TAG report and Group Chief Risk Officer's opinion thereof,
- approval of the 2016 consolidated Pillar 3 Report (capital and risk management disclosures),

- regular briefing on Risk and Audit Committees matters,
- update on the 2016 Annual Activity Report of the Audit Committee,
- approval of new or revised policies as per the legal or regulatory framework and internal processes,
- update on the Group Recovery Plan.

2.11 Evaluation of the Board's structure, size, composition and performance

The Nomination Committee in discharging its responsibility for the annual assessment of the structure, size, composition and performance of the Board, assisted by an independent external expert on corporate governance, proceeded with the Board's evaluation for 2017.

In accordance with the Bank's Board and Board Committees Evaluation Policy, 2017 Board evaluation covered the following areas:

- Board's performance in setting and monitoring strategy (including the business plan),
- Board's performance in overseeing, engaging with, evaluating, incentivizing and retaining key management personnel,
- Board's performance in overseeing risk management and internal control,
- adequacy of the Board's profile and composition,
- adequacy of Board dynamics and functioning,
- role and performance of the Board Chairperson,
- adequacy of Board secretarial support,
- effectiveness of Board Committees.

Overall the evaluation concluded that the Board has functioned effectively in 2017 and improved in all aspects of Board operations over the last year. The areas that showed significant improvements are the Board profile and composition, relationship with management and oversight of strategic human resources issues and remuneration whereas the latter still remains in the areas for further improvement. The Board has approved an action plan as proposed by the Nomination Committee to further strengthen assessed areas.

2.12 Directors' Induction and Continuous Professional Development Process

The new Board members appointed during 2017 have received a full and formal Induction Program whose main objectives were to (a) communicate the Bank's vision and culture, (b) communicate practical procedural duties, (c) reduce the time taken for them to become productive in their duties, d) assimilate them as welcomed members of the Board, e) become familiar with the Bank's organizational structure and f) give them an understanding of Bank's business and strategy and the markets in which it operates, a link with the Bank's people and an understanding of its main relationships. Also, the new Board members, upon their appointment received a Manual of Obligations towards Supervisory Authorities and the Bank, aiming to inform them on their main obligations under the local regulations and the Board's procedures, while meetings and presentations were arranged with the Bank's Key Executives, in order for the new Directors to acquire a real overview of the Bank.

Furthermore, given that the Bank acknowledges the need to provide resources for developing and refreshing the knowledge and skills of the Directors, during 2017 and in the framework of its Continuous Professional Development program, all the Board members a) participated in training sessions which covered various areas such as the IFRS 9, the future shape of banking in Europe, ECB's new supervision model, b) received regular updates, including reports and presentations, from senior management regarding the operations and strategic targets of business units, c) were updated on a regular basis on risk, audit, compliance, financial, human resources, legal and regulatory issues, and d) received regular and ad-hoc research and economic bulletins prepared by Eurobank's Economic Research & Forecasting Division.

3. Board Committees

The Board is assisted in carrying out its duties by Board Committees. The Board delegates some of its responsibilities to such Board Committees and approves their mandate and composition, save for the composition of the Audit Committee whose members are appointed by the General Meeting. The Board receives regular and ad hoc reports from the Audit Committee, Board Risk Committee, Nomination Committee, Remuneration Committee and Strategic Planning Committee, and assesses their performance as per the provisions of the Bank's Board and Board Committees Evaluation Policy. According to the RFA, the HFSF appoints its Representative as well its Observer (who has no voting rights in the Board's Committees) or replaces them with a written request addressed to the Chairperson of the Board and their appointment is completed immediately from the receipt by the Bank of the HFSF's written request and no further procedures are required. HFSF provided its consent to the Bank's request to exclude the Strategic Planning Committee from the RFA provisions regarding the appointment of its representative and observer to all Board Committees. Pursuant to the RFA, the HFSF Representative has the right to participate in, request the convocation of, and include items on the agendas of, the Audit Committee, Board Risk Committee, Remuneration Committee and Nomination Committee. In addition, HFSF is entitled to the assistance by an independent consultant of international reputation and established experience and expertise, to perform its own evaluation of the Board Committees, in accordance with the article 10 of L. 3864/2010 as in force.

According to the RFA provisions, the members of the Audit, Board Risk, Remuneration and Nomination Committees should be at least three (3) and should not exceed 40% (rounded to the nearest integer) of the total number of Board members, excluding the representative of the HFSF. The Committees' Chairpersons should be independent non-executive

members and shall meet the requirements provided for in Law 3864/2010. The Committees' members should be non-executives with the majority of them, excluding the representative of the HFSF, independent non-executives, except for the Audit and Board Risk Committees where 75% and 1/3, respectively, of their members (excluding the representative of the HFSF and rounded to the nearest integer) should be independent non-executives. For any deviations from the RFA provisions, the prior consent of HFSF should be received.

3.1 Audit Committee²

The primary function of the Audit Committee (AC) is to assist the Board in discharging its oversight responsibilities primarily relating to:

- the review of the adequacy of the Internal Control and Risk Management systems and the compliance with rules and regulations monitoring process,
- the review of the financial reporting process and satisfaction as to the integrity of the Bank's Financial Statements,
- the External Auditors' selection, performance and independence,
- the effectiveness and performance of the Internal Audit and of the Compliance function.

The Shareholders' General Meeting appoints the Audit Committee members upon the Board's proposal to the General Meeting, following the recommendation of the Nomination Committee to the Board. The tenure of the Committee members coincides with the tenure of the Board of Directors, with the option to renew their appointment, but in any case the service in the Committee should not be more than twelve (12) years in total. The Chairperson of the Committee is appointed by the members of the Committee or by the Shareholders' General Meeting, while the Committee's members may also appoint a Vice Chairperson. The appointment of the Chairperson and the Vice-Chairperson shall go through the Nomination Committee's proposal process. The current Audit Committee consists of five (5) non-executive Directors, four (4) of whom are independent. One (1) of the Audit Committee members is the HFSF Representative. The HFSF appointed an Observer in the Audit Committee, in line with the requirements of the RFA.

The Chairman of the Audit Committee, Mr. Mirza (an independent non-executive Director) and the member Mr. Boucher (an independent non-executive Director), are the appointed financial/audit/risk expert members. The Audit Committee as a whole possesses the necessary skills and experience to carry out its duties.

The Audit Committee meets at least eight (8) times per year or more frequently, as circumstances require, reports to the Board on a quarterly basis on its activities, submits the minutes of its meetings to the Board and submits annually an Activity Report of the Audit Committee to the Board. The Audit Committee's meeting is in quorum and meets validly when half of its members plus one are present or represented, provided that at least three (3), including the Chairperson or the Vice Chairperson, are present. Each member of the Committee may validly represent only one of the other Committee members. Representation in the Committee may not be entrusted to persons other than the members thereof. The Audit Committee resolutions are validly taken by an absolute majority of the members who are present and represented.. In case of a tie of votes, the Chairperson and in case of his/her absence the Vice Chairperson has the casting vote. The Board is informed whenever a decision of the Audit Committee is not reached unanimously. During 2017 the Audit Committee held seventeen (17) meetings (2016: 20) and the average ratio of attendance was 93% (2016: 94%).

The Audit Committee appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee and the Group Chief Audit Executive as well as the Head of Group Compliance. The Secretary is responsible to minute the proceedings and resolutions of Audit Committees' meetings, including actions and follow up assignments.

The Audit Committee's Terms of Reference (ToR) are reviewed every two (2) years and revised if necessary, unless significant changes necessitate earlier revision (last review performed in July 2017). The ToR are approved by the Board. The Committee's performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy of the Bank. According to the Committee's 2017 self-assessment it was determined that the Committee continues to function effectively in discharging its responsibilities.

For 2017 the Audit Committee has, amongst others:

- reviewed and discussed reports with information relating to the System of Internal Controls, including quarterly reports from Internal Audit Group, Compliance, Operational Risk Sector, Clients Relations Office, etc.,
- ensured that an annual evaluation of the System of Internal Controls has been performed, by the Internal Audit Group for the year 2016. Results are documented in the latter's report of the System of Internal Controls. The Audit Committee has prepared its own assessment report on Internal Audit Group's evaluation. Both reports were submitted to the Board in April and in June 2017 respectively, and subsequently to the BoG in line with the BoG Act 2577/2006 requirements,
- reviewed the Group Compliance Sector report over Anti-Money Laundering and other compliance policies of the Bank for the year 2016, and prepared its own assessment report thereon. Both reports were submitted to the Board and the BoG in March and in June 2017, in line with the BoG Governors Act 2577/2006 and Decision 281/2009 requirements,

² Information regarding the Committee's main duties and responsibilities as well as composition are included in the Bank's Code. Additionally, information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

- discussed with Management, Internal Audit, Countries Audit Committee Chairpersons and with External Auditors issues relating to the quarterly results, the mid-year and the year-end financial statements,
- reviewed and cleared the financial statements and other financial reports and trading updates prior to their release,
- discussed with Management the implementation of corrective actions to recommendations made by Internal and External Auditors, Monitoring Trustee as well as Regulatory Authorities,
- assessed the effectiveness of the External Auditors, their objectivity and independence, discussed results with Management and Internal Audit and communicated final results to the Board and to the External Auditors,
- assessed the performance of the Head of Internal Audit and the Head of Group Compliance Sector,
- approved the remuneration of External Auditors and approved in line with the External Auditor's Independence Policy non-audit services provided in 2017,
- approved the annual Plans of Internal Audit Group and of Group Compliance and monitored their progress,
- approved changes to the memberships of the Audit Committees of the subsidiaries and reviewed their Activity Reports,
- received updates on the progress of the Restructuring Plan,
- monitored the progress of IFRS 9 thematic review,
- in accordance with the provisions of Law 2533/1997, the Audit Committee reviewed reports on substantial stock transactions performed by the Bank's Directors and General Managers which meet the criteria set in Law 2533/1997 and notified the Board,
- approved the appointment of the Bank's statutory auditor for the five (5) years period of 2018-2022, which was concluded in February 2017,
- reviewed and proposed to the Board for approval the Bank's Internal Governance Control Manual.

3.2 Board Risk Committee³

The Board Risk Committee's (BRC) purpose is to assist the Board in the following risk-related issues:

- to ensure that the Group has a well-defined risk strategy and risk appetite in line with its business/restructuring plan, and that the risk appetite is articulated in a set of qualitative and quantitative statements and risk tolerance levels for all relevant risks,
- to ensure that the Group has developed an appropriate risk management framework which is embedded in the decision making process (e.g. new products and services introduction, risk adjusted pricing, risk adjusted performance measures and capital allocation) throughout the Bank and its subsidiaries,
- to define the Group risk management principles and ensure that the Bank has the appropriate methodologies, modeling tools, data sources and sufficient and competent staff to identify, assess, monitor and mitigate risks,
- to review and assess the Bank's and Group's risk profile and effectiveness of its risk management policies and advise the Board accordingly (this review is supported by the Management Risk Committee (MRC) regular reporting, including aspects of operational risk i.e. conduct and cyber risks and reputational risk),
- to ensure that appropriate stress tests are performed, at least on an annual basis, in relation to all major Group risks,
- to assess, at least on an annual basis, compliance with the approved risk appetite and risk tolerance levels, the appropriateness of risk limits, the adequacy of provisions and, in general, the capital adequacy in relation to the risks undertaken by the Group, through, amongst others, the annual report prepared by the Group Risk Management General Division and relevant extract of the report prepared by the Internal Audit Division,
- to keep the Board and Audit Committee updated on relevant risk matters and recommend to the Board the future risk strategy.

The BRC members, including the Chairperson and the Vice Chairperson, are appointed by the Board in accordance with the legal and regulatory framework where applicable. Their tenure coincides with the tenure of the Board, with the option to renew their appointment, but in any case the service in the BRC should not be more than twelve (12) years in total. The current BRC consists of five (5) non-executive Directors, including the HFSF's representative, three (3) of whom are also independent Directors.

The Chairperson of the BRC is independent non-executive with a solid experience in commercial banking and risk and Non-Performing Loans management, and is familiar with European as well as international regulatory framework. The BRC meets at least on a monthly basis and reports to the Board, on a quarterly basis. Quorum requires the majority of members (half plus one) to be present or represented, provided that no less than three (3) Committee members are present. Each member of the Committee may validly represent only one of the other Committee members. Representation in the Committee may not be entrusted to persons other than the members thereof. The Chairperson or the Vice Chairperson must be one of the participating members. In determining the number of members for the quorum, fractions, if any, will not be counted. The BRC resolutions require a majority vote of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson has the casting vote. The Board is informed whenever a decision of the BRC is not reached unanimously. The Chairperson of the BRC may invite to the meetings other executives of the Group or outside advisors or experts, as deemed appropriate. During 2017 the BRC held sixteen (16) meetings (2016: 13) with 91% attendance (2016: 90.0%).

³ Information regarding the Committee's main duties and responsibilities are included in the Bank's Code. Additionally, information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

The BRC appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee and the Group Chief Risk Officer (“GCRO”). The Secretary is responsible to minute the proceedings and resolutions of BRC meetings, including actions and follow up assignments.

BRC Terms of Reference (ToR) are reviewed at least every three (3) years (last review performed in December 2016) and revised if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision. The ToR are approved by the Board. The Committee’s performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy of the Bank. According to the Committee’s self-assessment it was determined that it continues to function effectively in discharging its responsibilities.

For 2017 the BRC has, amongst others:

- monitored qualitative and quantitative aspects of credit, market, liquidity and operational risks,
- updated the Board on the adequacy of the risk management policy and risk appetite framework,
- recognized material risks, including the aforementioned risks,
- monitored the progress of regulatory projects such as TRIM thematic review (Market, Credit Risk), IFRS 9 thematic review and NPE SSM targets review,
- approved, among others, the following regulatory and other reports:
 - IFRS 9 thematic review: final policies and methodologies submitted to the SSM,
 - TRIM submissions to the SSM (Mortgage Lending Behavioural PD Model and Mortgage Lending PD model-risk pools) and the SSM Model Stocktake (IRB Models),
 - ICAAP/ILAAP 2017 Stress test macroeconomic scenarios,
 - Internal Capital & Liquidity Adequacy Assessment processes (ICAAP & ILAAP 2017): Capital and Liquidity Adequacy Statements (CAS and LAS),
 - Data Governance Framework and Group ICAAP Framework,
 - Group Recovery Plan,
 - Interest Rate Risk in the Banking Book (IRRBB) Policy,
 - Stress Testing preliminary impact review,
 - GCRO’s Risk report for 2016,
 - Pillar 3 Disclosures Policy.

3.3 Remuneration Committee⁴

The Board has delegated to the Remuneration Committee (RemCo) the responsibilities (a) to provide specialized and independent advice for matters relating to remuneration policy and its implementation at Bank and Group level and for the incentives created while managing risks, capital and liquidity, (b) to safeguard the proper exercise of its duties and responsibilities, the efficient alignment of the personnel’s remuneration with the risks the Bank undertakes and manages and the required alignment between the Bank and the Group, and (c) to approve or propose for approval all exposures of key management personnel. The Non-Executive Directors have the responsibility to approve and periodically review Bank’s remuneration policy and oversee its implementation both at Bank and Group level.

The implementation of the remuneration policy is in line with the provisions of Laws 3864/2010, 4261/2014 and Bank of Greece Governor’s Act 2650/2012.

The RemCo members are appointed by the Board. The tenure of the RemCo members coincides with the tenure of the Board, with the option to renew their appointment, but in any case the service in RemCo should not be more than twelve (12) years in total. The current RemCo consists of four (4) Directors: one (1) non-executive, who is also the Representative of the HFSF, and three (3) independent non-executives including its Chairperson.

RemCo meets at least twice a year and minutes are kept. RemCo is in quorum and meets validly when half of its members plus one (1) are present or represented (fractions, if any, are not counted), provided that no less than three (3) members, including the Chairperson or the Vice Chairperson are present. Each member of RemCo may validly represent only one of the other RemCo members. Representation in RemCo may not be entrusted to persons other than the members thereof. RemCo’s resolutions are validly taken by an absolute majority of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson of RemCo shall have the casting vote. During 2017 RemCo held eight (8) meetings (2016: 11) and the ratio of attendance was 88% (2016: 90%).

RemCo appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of RemCo and the Group Human Resources General Manager. The Secretary is responsible to minute the proceedings and resolutions of RemCo’s meetings, including actions and follow up assignments.

RemCo’s Terms of Reference (ToR) are reviewed at least once every two (2) years (last review performed in September 2016) and revised if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision. The ToR are approved by the Board. RemCo’s performance is evaluated

⁴ Information regarding the Committee’s main duties and responsibilities are included in the Bank’s Code. Additionally, information regarding current composition and short biographical details of its members may be found at the Bank’s website (www.eurobank.gr).

annually according to the provisions of the Board and Board Committees Evaluation Policy of the Bank. According to RemCo's self-assessment, it was determined that RemCo continues to function effectively in discharging its responsibilities.

For 2017, RemCo has amongst others:

- proposed to the Non-Executive Directors of the Board for approval the revised Remuneration Policy of the Bank and the Group,
- proposed to the Non-Executive Directors of the Board for approval the 2017 total Remuneration Framework of the Bank and approved the 2017 Bank's Benefits and Business Related Components Policy,
- proposed to the Board for approval the Board and Board Committees' Fees 2017 for Directors of the Bank and Board and Board Committees' Fees 2017 for Directors of the Group's Subsidiaries,
- proposed to the Non-Executive Directors of the Bank for approval CEO's and Senior Executives' Financial and Non-Financial objectives for 2017,
- proposed to the Board for approval the Board and Board Committees' attendance policy
- approved the Remuneration Framework of Group Subsidiaries Abroad,
- approved the Remuneration Disclosures,
- reviewed the Internal Audit findings regarding the implementation of the Remuneration Policy,
- reviewed the remuneration policy implementation at Group level.

3.4 Nomination Committee⁵

The Board has delegated to the Nomination Committee (NomCo) the responsibilities (a) to lead the process for Board and Board Committees appointments, (b) to identify, nominate and recommend candidates for appointment to the Board and (c) to consider matters related to the Board's adequacy, efficiency and effectiveness, and to the appointment of all executives of the Bank at the level of General Manager and above, as well as Heads of General Divisions (senior executives). NomCo, in carrying out its duties, is accountable to the Board.

NomCo members are appointed by the Board. The tenure of NomCo members coincides with the tenure of the Board, with the option to renew their appointment, but in any case the service in NomCo should not be more that twelve (12) years in total. The current NomCo consists of six (6) Directors, four (4) of whom are independent non-executive and the other two (2) are non-executive, out of whom one (1) is the representative of the HFSF.

NomCo meets at least twice a year and minutes are kept. NomCo is in quorum and meets validly when half of its members plus one (1) are present or represented (fractions, if any, are not counted), provided that no less than three (3) members, including the Chairperson or the Vice Chairperson are present. Each member of NomCo may validly represent only one of the other NomCo members. Representation NomCo may not be entrusted to persons other than the members thereof. NomCo's resolutions are validly taken by an absolute majority of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson of NomCo shall have the casting vote. During 2017 NomCo held ten (10) meetings (2016: 11) and the average ratio of attendance was 95% (2016: 88%).

NomCo appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of NomCo and the Group Human Resources General Manager. The Secretary is responsible to minute the proceedings and resolutions of NomCo's meetings, including actions and follow up assignments.

NomCo's Terms of Reference (ToR) are reviewed at least once every two (2) years (last review performed in March 2017) and revised if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision. The ToR are approved by the Board while NomCo's performance is evaluated annually according to the provisions of the Board and Board Committees Evaluation Policy of the Bank. According to NomCo's self-assessment, it was determined that NomCo continues to function effectively in discharging its responsibilities.

For 2017, NomCo has amongst others:

- proposed to the Board for approval the appointment of new Board members,
- proposed to the Board for approval the Senior Management Selection and Appointment Policy,
- reviewed and proposed to the Board for approval the revised Board Nomination Policy and revised Board and Board Committees Evaluation Policy,
- reviewed and updated the Board on Senior Executives succession plan,
- reviewed and proposed to the Board the approval of the revised Board of Directors Diversity Policy,
- reviewed the independence of the Non-Executive directors,
- reviewed the attendance of Directors to the Board and its Committees.

Board of Directors Diversity Policy

⁵ Information regarding the Committee's main duties and responsibilities are included in the Bank's Code. Additionally, information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

The Board of Directors Diversity Policy ("Policy") sets out the approach to diversity on the Board and it is in accordance with international best practices and the EU and Greek banking law provisions⁶.

As declared in the Policy, the Board's diversity is one of the factors which, according to the Board Nomination Policy, the Committee shall consider when examining composition and structure of the Board. A diverse Board includes and makes good use of variety in the skills, educational and professional background, geographical provenance (nationality), gender, age and other qualities of Directors.

NomCo will discuss and agree all measurable objectives for achieving diversity on the Board during the review process of the Board profile matrix according to the Board Nomination Policy and for proposing the (re)appointment/succession planning of individual Board members according to the Board and Board Committees Evaluation Policy, taking into consideration the balance of all diversity aspects mentioned in the Policy. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

According to the revised Policy, NomCo's priority is to ensure that the Board continues to have strong leadership and the right mix of skills to deliver the business strategy. Within this context and in regard to the less represented gender in the Board, NomCo's aim is that the percentage of the female gender representation in Eurobank's Board shall be at least 20% of the Board size in the next 3 years, also considering industry trends and best practices. As of March 2018, the representation of the female gender stood at 23%, meeting the Policy's requirement.

Assessment of the knowledge, skills and experience (KSE) of the Board collectively as well as the KSE and contribution of individual Board members

In accordance with the respective legal framework and the Board and Board Committees Evaluation Policy, the Board Chair conducted an assessment of the contribution of the Non-Executive Board Members for 2017 and presented the results to NomCo.

Taking into consideration the relevant requirements, specific focus areas were applied as follows:

- contribution to overall Board profile skillset,
- Board participation and quality of contributions to Board deliberations,
- punctuality and attendance,
- team spirit and demeanour,
- independent thinking and constructive challenge.

The overall assessment demonstrated quite positive results across all focus areas and has confirmed that the assessed Non-Executive Board Members adequately meet expectations for effectively accomplishing their role as Directors of the Bank.

Furthermore, the Bank's 2017 Target Board profile matrix has revealed that the desired KSEs are overall met for all the Board members. The Target Board profile matrix is the instrument to identify the specific characteristics the Board needs on the basis of its strategic objectives and risk management priorities, purposed to track the current profile of the Board against the desirable KSEs, through the assessment of the existing KSEs of all Board members (Executives and Non-Executives Directors).

Board Nomination Policy

The Board Nomination Policy sets out the guidelines and formal process for the identification, selection and nomination of candidates for the Board of the Bank. The Policy ensures that such appointments are made: (a) in accordance with legal and regulatory requirements; (b) with due regard to the expectations of the Bank's major shareholders, (c) in line with the Bank's contractual obligations with the HFSF and (d) on the basis of individual merit and ability, following a best practice process.

The Board supported by NomCo shall nominate candidates who meet the following nomination criteria:

- Reputation along with honesty, integrity and trust
 - a) Reputation: Sufficiently good repute, high social esteem and adherence to the European Banking Authority's (EBA) reputation criteria
 - b) Honesty, integrity and trust: Demonstration of the highest standards of ethics, honesty, integrity, fairness, and personal discipline, through personal history, professional track record or other public commitments
- Knowledge, skills, experience (KSE) and other general suitability requirements
 - a) Understanding of the Bank: Sufficient KSE for the development of a proper understanding of the business, culture, supervisory and regulatory context, product and geographic markets of operations, and stakeholders of the Bank and its subsidiaries

⁶ The Board of Directors Diversity Policy may be found at the bank's website (https://www.eurobank.gr/Uploads/pdf/Diversity_Policy.pdf).

- b) Seniority: Several years of experience in a generally recognised position of leadership in the candidate's field of endeavour
 - c) Independent mind-set and ability to challenge: Ability of forming and expressing an independent judgement on all matters that reach the Board and candour to challenge proposals and views on these matters by management and other candidates
 - d) Collegiality, team skills and leadership: Ability to contribute constructively and productively to Board discussions and decision making along with ability of leading such discussions as chair or vice-chair of specific committees or the Board as a whole
 - e) Additional criteria for the nomination of Executive Directors: Proven, through current and previous executive positions, knowledge, skills, experience and character to lead the Bank and its subsidiaries in the achievement of strategic objectives, along with willingness to enter into full time employment with the Bank.
- Conflicts of interest and independence of mind
NomCo examines the personal, professional, financial, political and any other possible interests and affiliations of candidates, ensuring that the candidates do not have actual, potential or perceived conflicts of interest which cannot be prevented, adequately mitigated or managed under the written policies of the Bank, that would impair their ability to represent the interests of all shareholders of the Bank, fulfil their responsibilities as Directors and make sound, objective and independent decisions (act with independence of mind).

In particular, NomCo shall ensure that candidates are not linked to borrowers of the Bank with an exposure above EUR 1 million or any exposures in arrears. NomCo shall also examine relevant direct and indirect monetary interests and non-monetary interests, including those arising from affiliations with and membership of other organisations.

- Time commitment
NomCo ensures that all nominees are able to commit the time necessary to effectively discharge their responsibilities as Directors, including regularly attending and participating in meetings of the Board and its Committees.
- Collective suitability, i.e. fit the Target Board Profile Matrix which is updated in accordance with the goals of the Bank.

The Board Nomination Policy is approved by the Board and reviewed at least once every two (2) years by NomCo and revised if necessary, unless material changes, regulatory or other, necessitate earlier revision.

3.5 Strategic Planning Committee⁷

The Strategic Planning Committee (SPC) is established by the Board and its purpose is to:

- a) assist the Board's Executive Officers in planning, developing and implementing the Group's Strategy and
- b) recommend to the Board certain initiatives in relation to the Group's Strategy.

The key tasks and responsibilities of the SPC are:

- to ensure that the Group develops a well-defined planned medium term strategy in line with the Board's guidance and its approved business and restructuring plan,
- to review, within the framework of which the Executive Board draws up the annual budget, the business plan and the restructuring plan, the key objectives and goals contained therein and review major business initiatives, before their submission for approval to the Board.
- to review, analyze and deliberate issues concerning the Group's strategic choices (e.g. strategic partnerships, share capital increase, issuing convertibles and/or launching debt issuance programs, mergers, acquisitions or disposals, the formation of joint ventures, creation or dissolution of special purpose vehicles, dividend distribution and all other major investments or disinvestments by the Group etc.), ensuring these being in line with the approved Group's strategy. The SPC shall formulate relevant proposals to the Board, if:
 - a) the issue under discussion exceeds € 40 million, while for lower amounts approval will be provided by the Executive Board;
 - b) a decision of the Board is obligatory by Law or by the Bank's contractual commitments;
 - c) it is deemed necessary by the SPC, taking into account the complexity and nature of the strategic choices under discussion.
- to maintain and take all necessary actions on regulatory and internal capital required to cover all types of risks (incl. strategic and reputational risks, as well as other non-quantifiable risks) and to ensure that capital requirements are met at all times,
- to review and evaluate all major Group's initiatives aiming at transforming the business and operating model,
- to monitor on a regular basis the strategic and the key performance indicators of the Group, including the segmental view,
- to review and, as needed, make proposals to the Board on all other issues of strategic importance to the Group.

⁷ Information regarding the Committee's main duties and responsibilities are included in the Bank's Code. Additionally, information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

The SPC members are appointed by the Board, on the recommendation of its Chairperson, following the proposal by the Nomination Committee. The Committee's members are appointed for a term of three (3) years that can be renewed up to three (3) times.

The Committee is chaired by the Chairperson of the Board and in case of absence or impediment of the Chairperson by the CEO and is composed of at least five (5) members who may be, besides the Chairperson and the CEO, either Executive Members of the Board or Senior Executive Officers. Each member of the Committee may validly represent only one of the other Committee members. Representation in the Committee may not be entrusted to persons other than the members thereof. The Committee may delegate specific responsibilities and authorities within the purview of its responsibilities and authorities to one (1) or more individual Committee members.

The SPC meets biweekly or ad hoc when necessary, keeps minutes of its meetings and reports to the Board on a quarterly basis and as required. During 2017 the SPC held forty one (41) meetings (2016: 42) and the ratio of attendance was 91% (2016: 88%). The Committee has a quorum and duly convenes if half of its members plus one (including the Chairperson or the CEO) are present. Decisions shall be validly taken by simple majority vote of members present. In case of a tie of votes, the Chairperson or in his/her absence the CEO has the casting vote. The Board shall be informed whenever a decision of the Committee is not reached unanimously. The opinion of the minority should be recorded in the meeting's minutes.

The SPC appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee. The Secretary is responsible to minute the proceedings and resolutions of all SPC meetings, including the action plans and follow up assignments.

The Committee may invite to its meetings any Board member, officer of the Bank or of a Group subsidiary, or such other person deemed appropriate to assist it in performing its responsibilities.

The Committee reviews and assesses the adequacy of its Terms of Reference and requests the approval of the Board for proposed amendments. The Terms of Reference will be reviewed at least once every three (3) years and revised if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision (last review performed in December 2015). The Committee's performance is evaluated at least annually and results are submitted to the Nomination Committee, so that the latter makes proposals to the Board.

4. Management Committees

The CEO establishes committees to assist him as required. The most important Committees established by the CEO are the Executive Board, the Management Risk Committee, the Group Asset and Liability Committee, the Central Credit Committees (I & II) and the Troubled Assets Committee.

Executive Board⁸

The Executive Board (ExBo) manages the implementation of Group's strategy, as developed by the SPC, in line with the Board's guidance. The functioning of ExBo is subject to the provisions of the RFA. The ExBo is established by the CEO and its members are appointed by the CEO. The ExBo meets on a weekly basis or ad hoc when necessary. Other executives of the Group, depending on the subject to be discussed, may be invited to attend.

The ExBo is in quorum and meets validly when half of its members plus one are present or represented. In determining the number of members for the quorum, fractions, if any, shall not be counted. The ExBo resolutions require a majority vote. The secretary prepares the minutes and circulates them to all ExBo members. The ExBo Terms of Reference (ToR) are approved by the CEO, and revised as appropriate.

The ExBo's key tasks and responsibilities are to:

- manage the implementation of Group's strategy as developed by the SPC and approved by the Board,
- draw up the annual budget, the business plan and the restructuring plan. The SPC reviews the key objectives and the goals contained therein, as well as the major business initiatives submitted to the Board for approval,
- to approve issues concerning the Group's strategic choices (e.g. partnerships, share capital increase, issuing convertibles and/or launching debt issuance programs, mergers, acquisitions or disposals, the formation of joint ventures, creation or dissolution of special purpose vehicles, dividend distribution and all other investments or disinvestments by the Group etc.), ensuring these being in line with the approved Group's strategy, if the issue under discussion is lower than €40 million or equal. In case though where:
 - a) the issue under discussion exceeds € 40 million;
 - b) a decision of the Board is obligatory by Law or by the Bank's contractual commitments;
 - c) it is deemed necessary by the SPC, taking into account the complexity and nature of the strategic choices under discussion;

⁸ Information regarding current composition and short biographical details of its members may be found at the Bank's website (www.eurobank.gr).

the issues concerning the Group's strategic choices are approved by the Board following a relevant proposal by the SPC (as per its Terms of Reference),

- monitor the performance of each business unit and subsidiary against budget and ensure corrective measures are in place wherever required,
- decide on all major Group's initiatives aiming at transforming the business and operating model, enhancing the operating efficiency and cost rationalization, improving organizational and business structure,
- ensure that adequate systems of internal control are properly maintained,
- review and approve Bank's Policies and the Internal Governance Control Manual and propose to the Board and Board Committees for approval, as required,
- review the performance of any Committee and /or individuals to whom it has delegated part of its responsibilities, as approved,
- to approve performing exposures higher than 10% of the Bank's regulatory capital and non-performing exposures higher than 5% of the Bank's regulatory capital,
- to approve write-offs (on a pool basis) higher than €10 million and lower than €50 million,
- to hire and retain external consulting firms in its sole judgment, and approve their compensation and terms of engagement in accordance with Bank's policies and procedures,
- to hire and retain investment banking advisors, in its sole judgment, and approve their compensation and terms of engagement, in accordance with Bank's policies and procedures.

Management Risk Committee⁹

The Management Risk Committee (MRC) oversees the risk management framework of Eurobank Ergasias S.A. The MRC ensures that material risks are identified and promptly escalated to the BRC and that the necessary policies and procedures are in place to prudently manage risk and to comply with regulatory requirements. The MRC members should have the ability to identify, assess and manage the Group's risks.

As part of its mandate, the MRC:

- reviews the Bank's and its subsidiaries' risk profile vis-à-vis its declared risk appetite and examines any proposed modifications to the risk appetite,
- reviews and approves the methodology, the parameters and the results of the Bank's stress testing programme,
- determines appropriate management actions which are discussed and presented to the ExBo for information and submitted to the BRC for approval, and maintains at all times a pro-active approach to Risk Management, understands and evaluates risks, addresses escalated issues, provides oversight to the Group's risk management framework – including the implementation of risk policies – and informs the BRC of the Group's risk profile
- assists the BRC in defining risk management principles and methodologies thereby ensuring that the Group's Risk Management Framework contains processes for identifying, measuring, monitoring, mitigating and reporting the current risk profile against its risk appetite, limits, and performance targets.

The MRC does not conflict with the GCRO or the Risk Management General Division's responsibilities for Risk governance as prescribed under the HFSF Relationship Framework Agreement or the Bank of Greece's Governor Act no. 2577/2006. The GCRO serves as the Chairperson of the MRC and has the responsibility to escalate material risks and issues to the BRC and will update ExBo on material risks and issues on a periodical basis.

The MRC is in quorum and meets validly when half of its members, including the Chairperson or the Vice-Chairperson, plus one are present or represented, by proxy to another member (fractions are excluded from the computation). MRC members' attendance to MRC meetings, whether with physical presence or with tele/video conference as the need may be, should be at a minimum level of 85% of meetings held. Selected attendees can be invited to the MRC meetings, when the topics for discussion fall under their remit or they have the requisite expertise to constructively participate. The finalized minutes are distributed to the BRC, SPC and EXBO members, as prepared by the committee's secretary and approved by its Chairperson. Abstracts of resolutions reached and actions to be taken are provided to Management, SPC and/or EXBO members, as necessary.

Changes to the ToR of the MRC are reviewed by the MRC on an annual basis and approved by the CEO. The MRC ToR are also submitted to the BRC for information purposes.

Group Asset and Liability Committee (G-ALCO)¹⁰

G-ALCO's primary mandate is to formulate, implement and monitor as may be appropriate the Group's a) liquidity and funding strategies and policies, b) interest rate guidelines, c) Group's capital investments, as well as FX exposure and hedging strategy and d) Group's business initiatives and/or investments that meaningfully affect the Bank's market and liquidity risk profile, and to approve or recommend changes to these policies that conform to the Bank's risk appetite and levels of exposure as determined by the BRC & Management while complying with the framework established by regulatory and/or supervising bodies.

⁹ Information regarding the Committee's current composition may be found at the Bank's website (www.eurobank.gr).

¹⁰ Information regarding the Committees' current composition may be found at the Bank's website (www.eurobank.gr).

G-ALCO convenes once a month and/or whenever required. Other executives or managers of the Group, depending on the subject to be discussed, may be invited to attend.

Required quorum for G-ALCO meetings to be effective is six members. In order to have a quorum the presence of its Chairperson and a minimum of three (3) SPC members is required. Decisions on issues are taken by majority and communicated to the relevant / affected business areas, while meetings are minuted by the Committee's Secretary and distributed to the G-ALCO members, the CEO, the Board's Chairman, the Monitoring Trustee (MT) and the Single Supervisory Mechanism (SSM).

Central Credit Committees¹¹

Central Credit Committee I

The main objective of the Central Credit Committee I (CCCI) is to ensure objective credit underwriting for all Greek corporate portfolio of performing customers as defined in the Credit Policy Manual -Performing Exposures, so that risk undertaking can be effected in a balanced way between satisfactory return on equity and credit quality.

The CCCI convenes at least once a week and all meetings are minuted. Decisions are taken unanimously. If unanimity is not achieved, the request is escalated by the Chairperson to the next approval level.

The main duty and responsibility of CCCI is to assess and approve all credit requests of the Greek wholesale performing portfolio for total exposure above €50mio and unsecured exposure above €35mio. For total exposure exceeding €75mio and unsecured exposure exceeding €50mio, additional signature from GCRO is required, while for total exposure exceeding €150mio and unsecured exposure exceeding €100mio, additional signature from CEO is required. Furthermore, for exposures higher than 10% of the bank's regulatory capital the additional approval of ExBo is required.

Central Credit Committee II

The main objective of Central Credit Committee II (CCCII) is the same as for CCCI for lower levels of exposure.

The CCCII convenes at least once a week and all meetings are minuted. Decisions are taken unanimously. If unanimity is not achieved, the request is escalated by the Chairperson to the next approval level.

The main duty and responsibility of CCCII is to assess and approve all credit requests of the Greek wholesale performing portfolio for total exposure up to €50mio and unsecured exposure up to €35mio.

Troubled Assets Committee¹¹

The Troubled Assets Committee (TAC) is established according to the provisions of the BoG Executive Committee Act No. 42/30.5.2014, as in force. TAC's main responsibility is to provide strategic guidance and monitor troubled assets management, ensuring independence from business and compliance with the requirements of BoG Act 42. The Deputy CEO of the Bank and Executive member of the Board of Directors is specifically entrusted with the close monitoring of the troubled assets management strategy. Its members are senior managers with sufficient knowledge and experience in the Management of Troubled Assets and Risk Management. The number of the Committee's members, who cannot be less than two, as well as its composition are defined by the CEO of the Bank. Decisions are taken by majority and minutes are kept and circulated as appropriate. In case of a tie of votes, the Chairperson has a casting vote.

The Committee meets at least once per month, while informs the Board and relevant committees on the results of its activities, at least quarterly. The Committee closely interacts with Group Risk Management General Division for the common understanding and development of the appropriate risk assessment methodology for each forbearance type and delinquency status by portfolio. Committee's propositions and reports to Board of Directors are also submitted to Group Chief Risk Officer, who expresses his opinion to the Board by submitting the relevant report to Board Risk Committee.

Main responsibilities of the Committee are, among others, the following:

- processes centrally all the internal reports regarding troubled assets management under the provisions of BoG Acts 42/30.05.2014, 47/09.02.2015 and 102/30.08.2016
- approves the available forbearance, resolution and closure solutions by loan sub-portfolio, and monitors their performance through suitable KPIs
- defines criteria to assess the sustainability of credit and collateral workout solutions (design and use of "decision trees")
- determines the parameters and the range of responsibilities of the bodies and officers involved in the assessment of viability and sustainability of the proposed modifications and the subsequent monitoring of their implementation
- designs, monitors and assesses pilot modification programs (in cooperation with other business units)
- evaluates proposals for the sale of the Bank's distressed assets portfolio, as well as for the potential provision of services of managing troubled assets of third parties
- supervises and provides guidance and know-how to the respective troubled assets units of the Bank's subsidiaries abroad.

5. Key Control Functions

As part of its overall system of internal controls the Bank has established a number of dedicated control functions whose main responsibility is to act as independent control mechanisms thus reinforcing the control structure of the Bank. The most important functions and their key responsibilities are described below.

5.1 Internal Audit

Internal Audit Group (“IAG”) comprises the “Internal Audit Sector”, the “Forensic Audit Division”, the “International Audit Division” and the “Business Monitoring and Organisational Support Division”. All IAG’s officers are full time employees exclusively dedicated to the Internal Audit function. IAG is a group function responsible for the Bank and all of its subsidiaries.

In order to safeguard its independence, IAG reports directly to the Audit Committee, is independent of the Bank units with operational responsibilities and for administrative purposes reports to the CEO. The Board has delegated the responsibility for monitoring the activity of the IAG to the Audit Committee of the Bank. IAG is headed by the Group Chief Audit Executive (CAE) who is appointed by the Audit Committee. The latter also assesses the CAE’s performance.

IAG follows a risk-based methodology which examines the existence and adequacy of controls that address specific control objectives. Its main duties and responsibilities indicatively include:

- provide reasonable assurance, in the form of an independent opinion, as to the adequacy and effectiveness of the internal control framework of the Bank and its subsidiaries. In order to form an opinion, IAG carries out audits based on an audit plan submitted and approved by the Audit Committee. The required frequency of audits depends on the level of risk in each business unit,
- assist and advise Management on the prevention and detection of fraud and defalcation, unethical practices (code of conduct, insider dealing) and undertake such special projects as required,
- assist Management in enhancing the system of internal control by making recommendations to address weaknesses and improve existing policies and procedures,
- follow-up to ascertain that appropriate action is taken on reported audit findings within agreed deadlines.

5.2 Risk Management

The Bank’s Risk Management General Division, which is headed by the Group Chief Risk Officer (GCRO), is independent from the business units and has full responsibility for monitoring credit, market, liquidity and operational risks for the Bank and its subsidiaries in Greece and abroad.

It comprises the Group Credit Sector, International Credit Sector, Group Credit Control Sector, Capital Adequacy Control & Regulatory Framework Sector, Group Market & Counterparty Risk Sector, Group Operational Risk Sector & SSM office¹¹.

The GCRO is responsible to oversee and co-ordinate the development and implementation of adequate risk measurement and management policies regarding credit, market, liquidity, and operational risk and to serve as a pivotal point for the risk management functions. Centralization ensures that business targets and related growth are combined with a risk-conscious perspective, thus ensuring that the approved risk appetite is adhered to.

The GCRO reviews the credit policies prepared by the responsible Risk Units before their submission for final approval to the BRC or to the BoD and oversees their implementation thereafter and promptly reports any deviation from the credit policy or potential conflict with the approved risk strategy and risk appetite to the Board Risk Committee.

The GCRO is responsible to provide to the Board Risk Committee, on a monthly basis, adequate reporting in order to enable the Committee to properly oversee and advise the BoD on the Bank’s risk exposures / profile and future risk strategy. Additionally, he oversees compliance with approved risk appetite limits and any deviations from the risk appetite are communicated in a timely manner to the Board Risk Committee.

Eurobank has clear risk management objectives and a well-established strategy to deliver them, through core risk management processes. At a strategic level, the risk management objectives are to:

- Identify Eurobank’s material risks;
- Ensure that business plans are consistent with Eurobank’s risk appetite;
- Optimize risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review;
- Ensure that business growth plans are properly supported by effective risk infrastructure;
- Manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions;

¹¹ SSM office has a dual reporting line to both the GCRO & Group Chief Financial Officer

- Assist senior executives improve the control and co-ordination of risk taking across the business;
- Embed risk management into the Bank's culture and existing processes and raise awareness of risk management throughout the Bank;
- Provide the framework, procedures and guidance to enable all employees to manage risk in their own areas and improve the control and co-ordination of risk taking across the Business Units;

5.3 Compliance

Group Compliance is established with the approval of the Board and Audit Committee as a permanent and independent function. It reports functionally to the Chairperson of the Board and to the Audit Committee, and for administrative purposes to the CEO.

Group Compliance supervises the overall compliance function in the Group. Within this framework, it supervises, monitors, coordinates and evaluates the activity of Compliance Units and the respective Compliance Officers of the Group's Subsidiaries, both in Greece and abroad.

Group Compliance supports the Audit Committee of the Board of Directors in the management of compliance risk and contributes in the development of a corporate culture that, among others, promotes compliance with the Regulatory Framework and adherence to the standards of professional conduct. In this respect, Group Compliance supervises monitors, coordinates and assesses the level of compliance of Eurobank and all the Group subsidiaries in Greece and abroad, with the applicable laws and regulations, as well as the adopted internal policies

More specifically, within its scope of responsibilities, Group Compliance is mandated to:

- advise the Board of Directors and Senior Management on the Bank's compliance with applicable laws, rules and standards and to keep them informed of developments in the area,
- assist Management and staff in identifying, monitoring and efficiently managing compliance risk,
- provide guidance to staff on the appropriate implementation of applicable laws, rules and standards, through the issuance of policies and procedures and the design of training programs,
- review new products and service lines and advise Management on potential compliance risks,
- monitor timely submission of reports to competent Authorities and report any delays and fines to the Audit Committee,
- monitor and test whether staff effectively applies the internal processes and procedures aimed at achieving regulatory compliance. Report on potential breaches and required improvements and follow up on implementation,
- review staff accounts in order to monitor staff adherence to internal policies, procedures and the code of conduct and for indications of fraudulent activity,
- fulfil any statutory responsibilities and liaise with regulators and external bodies.

The scope of activities of Group Compliance covers the following key regulatory themes:

- Financial Crime including laws and regulations on Anti Money Laundering (AML) and Combat Financing of Terrorism (CFT), as well as reporting for Tax evasion (including FATCA/CRS reporting). The scope includes the provision of timely and accurate responses to requests arising from regulatory and judicial authorities as well as the co-operation with them to facilitate their work. The Board appoints the Head of Group Compliance as Money Laundering Reporting Officer and his/her Deputy,
- Client and Personal Data protection laws and regulations (including dormant accounts legislation, BoG's Code of Conduct for loans, the Payment Services Directive and the Deposit Guarantee scheme),
- Market Integrity including laws and regulations on Market Manipulation and Insider Trading,
- Business and internal conduct rules including Conflict of interest regulations, internal codes of conduct and anti-bribery and anti-corruption legislation,
- Any other topic for which there is a law / regulation explicitly assigning a responsibility to the Compliance function.

6. Principles of Internal Controls

The Group has established a System of Internal Controls that is based on international good practices and COSO terminology and is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- efficient and effective operations,
- reliability and completeness of financial and management information,
- compliance with applicable laws and regulations.

The key principles underlying the Group's system of internal controls are described below:

- **Control Environment:** The control environment is the foundation for all components of Internal Control System, providing discipline and structure and influencing the control consciousness of employees. Integrity and high ethical values stem from management's philosophy and operating style and appropriate recruitment and training policies ensure the competence of the Group's people. The Group's organisation structure is suitable for its size and complexity with clearly defined responsibilities and reporting lines and clearly specified delegation of authority.

- **Risk Management:** the Group acknowledges that taking risks is an integral part of its business. It therefore sets mechanisms to identify those risks and assess their potential impact on the achievement of the Group's objectives. Because economic, industry, regulatory and operating conditions will continue to change, risk management mechanisms in place shall be set (and evolve) in a manner that enables to identify and deal with the specific and new risks associated with changes.
- **Control Activities:** Internal control activities are documented in the policies and detailed procedures that are designed to ensure that operations are carried out safely and all transactions are recorded accurately in compliance with Management's directives and regulations. They occur throughout the organisation and business processes, at all levels and in all functions. One of the prime organisational measures to ensure control effectiveness in the Group is segregation of duties. Functions that shall be separated include those of approval (limits, limit excesses, specific transactions), dealing, administration (administrative input, settlement, confirmation checks, transaction approval check, documentation check, file keeping, custody) and controlling (reconciliation, limit monitoring, excess approval check, risk management, compliance checks, physical counts).
- **Information and Communication:** Information must be identified, captured and communicated in a form and timeframe that enables people to carry out their responsibilities. The Group has set effective communication channels to ensure that information is communicated down, across and up within the organisation. Mechanisms are also in place to obtain appropriate external information as well as to communicate effectively with outside parties including regulators, shareholders and customers.
- **Monitoring:** the Group has established mechanisms for the ongoing monitoring of activities as part of the normal course of operations. These include regular management and supervisory activities and other actions personnel take in performing their duties that assess the performance of internal control systems. There are also independent evaluations of the internal control system by the Internal Audit function, the scope and frequency of which depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies are reported upstream, with serious matters reported to top management, the Audit Committee and the Board. Every three years the efficiency of the internal control system on a solo and consolidated basis is independently evaluated by a third auditing firm, other than the statutory auditor, as provided for in BoG Governor's Act 2577/2006. The evaluation report is submitted for assessment to the Bank's Audit Committee and acknowledgment of the Board and is further submitted to the BoG.

7. Shareholders' General Meeting

The Shareholders' General Meeting ("General Meeting") is the supreme body of the Bank, convened by the Board and entitled to resolve upon any matter concerning the Bank and is the only competent body to resolve on issues described in article 34 of Company Law 2190/1920 (such as amendments to the Articles of Association). All shareholders have the right to participate and vote at the General Meeting either in person or by their legal representatives according to the proposed legal procedure each time in force.

The General Meeting is in quorum and meets validly when the shareholders, present or represented, represent at least 20% (1/5) of the paid-in share capital that corresponds to the shares with voting rights ("share capital"). Resolutions are reached by absolute majority. Exceptionally, with regard to certain significant decisions such as most decisions related to share capital, mergers etc.(para 3, art. 29, Company Law 2190/1920), the General Meeting is in quorum and meets validly when the shareholders, present or represented, represent at least 66.67% (2/3) of the paid-in share capital. Resolutions on the aforementioned issues are reached by two-thirds (2/3) majority. If such quorum is not reached, the General Meeting is convened again in a repeat Meeting where lower quorum is required for all categories of resolutions.

The HFSF's Representative has the right to request the convocation of the Shareholder's General Meeting. Such right was not exercised during 2017.

Following the completion of the Bank's share capital increase during the second half of 2015, fully covered by institutional and other investors, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 35.41% to 2.38%. As a result, in the context of Law 3864/2010 as in force, the HFSF exercises its voting rights in the General Meetings only for decisions concerning the amendment of the Bank's Articles of Association, including the increase or reduction of the capital or the corresponding authorization to the Board, the mergers, divisions, conversions, revivals, extension of term or dissolution of the Bank, the transfer of assets (including the sale of subsidiaries), or any other issue requiring increased majority as provided for in Company Law 2190/1920.

The Annual General Meeting is held every year before the 10th of September. An Extraordinary General Meeting may be convened by the Board when it is considered necessary or when required by law.

The minutes of the General Meeting are signed by the Chairperson and the Secretary of the General Meeting.

All persons appearing as shareholders of ordinary shares of the Bank in the registry of the Dematerialized Securities System (DSS) managed by Hellenic Central Securities Depository S.A. on the Record Date, namely at the start of the fifth day before the General Meeting and in case of a repetitive General Meeting at the start of the fourth day prior to such Meeting, have the right to participate and vote in the General Meeting. For each General Meeting, the Board arranges for the detailed invitation, including date, place, record date, issues on the agenda and related papers to be available to

shareholders at least 20 days before the meeting, including the proposed resolution or commenting by the Board on each issue. The detailed invitation also defines the procedure to be followed for voting by proxy, the minority shareholders rights and any available documentation relating to the General Meeting.

Standard minority rights, as described in Company Law 2190/1920, apply.

8. Other information required by Directive 2004/25/EU

• **Holders of securities with special control rights**

The HFSF's participation interest in the Bank's share capital, through the ordinary shares it possesses, confers to HFSF the rights according to the legislation in force and the RFA that has been signed between the Bank and the HFSF, that are referred to in note 50 of the consolidated financial statements.

• **Treasury Shares**

The Shareholders' General Meeting can authorize the Board, under article 16 of Company Law 2190/1920, to implement a program of acquisition of treasury shares. However, according to paragraph 1 of Article 16C of Law 3864/2010, during the period of the participation of the HFSF in the share capital of the Bank it is not permitted to the Bank to purchase treasury shares without the approval of the HFSF (note 40 of the consolidated accounts).

For other information required by Directive 2004/25/EU regarding the: a) Major shareholdings, b) Authority to issue new shares, and c) Restrictions of voting rights, please refer to the relevant sections of the Directors' Report.