



**EUROBANK ERGASIAS S.A.**

**CORPORATE GOVERNANCE CODE  
AND PRACTICES**

27 March 2013

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## **Section A: Introduction**

The Corporate Governance Code and Practices (the Code) describe the main corporate governance principles and practices adopted by Eurobank Ergasias SA (the Bank) and its subsidiaries (collectively Eurobank or the Group). The Code is in compliance with the local legislation and is based on the international best practices on corporate governance focusing on the sustainable success of Eurobank over the longer term.

The Code is approved by the Board of Directors. The responsibility for ensuring the Code is up-to-date rests with the Group Corporate Governance. The Board, following clearance by the Audit Committee, will review and approve the contents of the Code once a year.

## **Section B: Board of Directors**

### **B.1 The Role of the Board of Directors**

#### **Main Principles**

The Bank is headed by a Board which is collectively responsible for the long-term success of the Bank. The Board exercises its responsibilities effectively and in accordance with international best practices.

The Board of Directors' (Board) role is to provide entrepreneurial leadership of 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 review 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.

#### **Practices**

B.1.1 The current Board consists of sixteen directors. In addition, one government representative and one representative of the Hellenic Financial Stability Fund ("HFSF") have been appointed as additional Non-Executive Directors in accordance with relevant legal requirements. Executive Directors have responsibility for the day-to-day management and control of Eurobank. Non-Executive Directors are responsible for the overall promotion and safeguarding of Eurobank's interests.

The principal duties and responsibilities of the Board are to:

- review, guide and approve the strategy of Eurobank, major plans of action, risk policy, annual budgets and business plans; set performance objectives; monitor performance; oversee and approve major capital expenditures, acquisitions and divestitures
- monitor the effectiveness of Eurobank's governance practices, making changes as needed
- select, compensate, monitor and, when necessary, replace key executives and oversee succession planning
- align key executive and board remuneration with the longer term interests of Eurobank and its shareholders
- ensure a formal and transparent board nomination and election process
- monitor and manage potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions
- ensure the integrity of Eurobank's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards
- oversee the process of disclosure and communications.

The Board meets regularly every quarter and on an ad hoc basis given at least two working days' notice. Submissions to the Board are circulated together with the agenda. Board Meetings minutes are kept by the Secretary of the Board, are approved at subsequent board meetings and signed by all directors present.

B.1.2 The Board delegates some of its responsibilities to the Risk, Audit, Supervisory Remuneration, Remuneration and Nomination Committees, assesses their performance, and approves their mandate and composition. The structure of the Board and Board Committees' membership is fully described in Eurobank's Annual and Directors' Reports under [www.eurobank.gr](http://www.eurobank.gr) which also sets out the number of meetings of the board and its committees and overall attendance by Directors.

B.1.3 Eurobank has arranged appropriate insurance cover in respect of legal action against its Directors.

## **B.2 Division of Responsibilities**

### **Main Principle**

There is a clear division of responsibilities at the head of Eurobank between the proper operation of the Board and the day-to-day management and control of Eurobank business. No one individual has unfettered powers of decision.

### **Practice**

B.2.1 The roles of chairman and chief executive officer are not exercised by the same person. The division of responsibilities between the chairman and chief executive officer are clearly established and set out in Eurobank's Internal Control Manual which is approved by the Audit Committee.

## **B.3 The Chairman**

### **Main Principle**

The Chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role. He oversees the proper operation of the Board, is a member of the Board's Audit, Risk, Supervisory Remuneration and Nomination Committees and attends Management Committees at his discretion. He is co-responsible (together with the CEO) for Eurobank towards Bank of Greece.

The Chairman is responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. He promotes a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors. In addition, he ensures that the Directors receive accurate, timely and clear information. The Chairman is also responsible for continuous and clear communication with the representatives of the Ministry of Finance and the HFSF. Finally, the Chairman is available should private shareholders raise any issues.

## **B.4 Non-executive Directors**

### **Main Principle**

Non-Executive Directors are responsible for the overall promotion and safeguarding of Eurobank's interests. The main duties of the non-executive directors performed either within the Board or through Board committees, are to:

- constructively challenge and contribute to the development of strategy
- monitor the reporting of performance
- scrutinise the performance of management in meeting agreed goals and objectives
- ensure that financial information is accurate and that financial controls and systems of risk management are robust and defensible
- determine the appropriate level of remuneration of executive directors
- have a prime role in appointing and, where necessary, removing executive directors and in succession planning
- support executives in their leadership of the business while monitoring their conduct.

### **Practices**

B.4.1 Where they considered it necessary, the Independent Non-Executive Directors should submit, to the ordinary or extraordinary Shareholders' General Meetings of Eurobank, their own reports on a specific subject, either individually or together.

## **B.5 Non-executive Director representing the Ministry of Finance**

### **Main Principle**

Eurobank participates in the Greek Government's program to support liquidity in the Greek economy under Law 3723/2008, as amended. This has entitled the Government to appoint its representative to the Board of Directors, veto strategic decisions and decisions which alter substantially the legal or financial position of the Bank and require the General Meeting's approval, veto dividend distributions and restrict management remuneration.

## **B.6 Non-Executive Director representing the HFSF**

### **Main Principle**

In the context of the recapitalization of the Bank under Law 3864/2010 (Recapitalization), following the advance payment by HFSF to Eurobank in EFSF notes (Advance), the Hellenic Financial Stability Fund (HFSF) has the right to appoint up to 2 representatives to the Board. However, when ordinary shares or contingent convertible bonds (CoCos) are actually subscribed to by HFSF, HFSF has the right to appoint only one representative. In this respect and as already stated above under B.1.1, HFSF has already appointed one representative to the Board (Representative) as a non-executive member whose rights derive from Law 3864/2010 and the trilateral presubscription agreement for the Advance signed between the Bank, the HFSF and the European Financial Stability Fund (EFSF).

The HFSF's or its Representative's (REP) rights vary, depending on the implementation stages of the Recapitalization. In particular:

a. During the whole period of the Recapitalisation programme:

HFSF has the right to:

- request all information and data concerning the Bank Group as HFSF deems appropriate in order to safeguard its property rights and to fulfil its contractual and statutory obligations
- carry out ad hoc audit with the participation of experts and/or external auditors appointed by HFSF, in order to fulfil its contractual and statutory obligations
- approve the Chief Financial Officer of Eurobank

REP has the right to:

- participate in the Board committee which will monitor the implementation of the Bank's restructuring plan
- require that items are included on the Board's or the Board Committees agenda
- forward to HFSF agendas, the supporting material and the minutes of the Board relating to decisions on transactions having a material impact
- have, as well as HFSF's agents and their professional advisors, reasonable access to Eurobank, its subsidiaries and affiliates and their respective directors, officers, employees and internal and external accountants, auditors and counsel
- request the convocation of the Shareholders' General Meeting within shortened deadlines
- request the convocation of the Board
- request the postponement of a Board meeting for up to 3 business days so as to receive HFSF's directions
- veto any resolution of the Board related to dividend distributions, remuneration policy of Board members, general and deputy general managers
- veto any resolution of the Board which may jeopardise depositors' interests or seriously impact liquidity, solvability and prudent and concise operation of Eurobank.

b. From the Advance until the completion of the capital increase:

HFSF has the right to:

- carry out, as well as its advisors, a due diligence investigation
- provide its consent, in writing, prior to any Bank's declaration, communication or announcement relating to the Offer and to any Bank's reference to the Pre-Subscription Agreement
- provide its consent prior to the appointment of the statutory auditors by the Bank
- to appoint member/s of the Audit, Risk, Supervisory Remuneration / Remuneration and Nomination Committees of the Bank.

The REP has the right to recommend to the Board all necessary measures for the safeguarding of HFSF's rights and to oversee the measures' adoption.

c. From the capital increase until the completion of the Recapitalization programme HFSF has the right to restricted voting rights if private investors contribute 10% of the capital raising at the rights issue which are strictly limited to decisions related to amendments of the Articles of Association including transfer of assets or to issues which require increased quorum according to Law 2190/1920 on the condition that the Bank adheres to its restructuring plan and as long as CoCos are not mandatorily converted to ordinary shares.

## **SECTION C: Effectiveness**

### **C.1 The Composition of the Board**

#### **Main Principles**

The Eurobank Board and its Committees have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their respective duties and responsibilities effectively.

The Board has a sufficient size ensuring that the requirements of the business can be met; changes to the Board's composition and its Committees can be managed without undue disruption. Decisions are taken following discussions which exhaust the issues to the satisfaction of all Directors present.

No one other than the Committee Chairman and members is entitled to be present at a meeting of the Risk, Nomination, Audit, Supervisory Remuneration or Remuneration Committee, but others may attend at the invitation of the Committee.

As of 15 February 2013, the Monitoring Trustee appointed by the European Commission (DG Competition) may attend any meeting.

#### **Practices**

C.1.1 The General Meeting appoints the Board members, and determines their term of office.

C.1.2. Eurobank identifies in the annual report each Independent Non-Executive Director. Eurobank's current Board includes six Independent Non-Executive Directors, of which two will be ratified as independent at the next General Meeting. The Nomination Committee and/or the full Board considers which members qualify under local regulations and international governance standards as independent non-executive directors and recommends to the Board their appointment.

The Nomination Committee is also responsible to review regularly the independence of non-executive directors and make recommendations to the Board with regard to any changes.

The Nomination Committee considers the following circumstances as evidence that a Director is not Independent:

- holds more than 0.5% of Eurobank's shares
- has a material business relationship with the Group, particularly if he is an important supplier or client of the Bank
- has been an employee of the Group within the last five years
- has close family ties with any of the Bank's advisers, Directors or senior employees
- represents a significant shareholder
- has served on the Board for more than nine years from the date of their first election

C.1.3. Of the sixteen directors elected to the Board, five are Executive, five are Non-Executive and six are Independent Non-Executive, of which two will be ratified as independent at the next General Meeting.

### **C.2 Appointments to the Board**

#### **Main Principle**

Eurobank has a formal, rigorous and transparent procedure for the appointment of new Directors to the Board that is carried out by the Nomination Committee. The current Nomination Committee consists of 3 non-executive Board members, two of whom are independent. In addition, one representative of the HFSF has been appointed as member of the Nomination Committee in accordance with relevant contractual requirements.

The Nomination Committee identifies and recommends, for the approval of the Board, candidates to fill Board vacancies and satisfies itself that plans are in place properly considering issues related to the succession planning of senior management.

#### **Practices**

C.2.1 The Nomination Committee has the responsibility to consider matters related to the Board's adequacy, efficiency and effectiveness and to the appointment of key management personnel.

The Nomination Committee leads the process for Board appointments and makes recommendations to the Board. The Nomination Committee is chaired by the Chairman of the Board and has two independent non-executive directors as members. Its composition is appointed and approved annually by the Board. In addition, one representative of the HFSF has been appointed as member of the Nomination Committee in accordance with relevant contractual requirements.

At least once every two years the Committee reviews its own performance and terms of reference. Any changes considered necessary are submitted to the Board for approval.

C.2.2 The Nomination Committee evaluates the balance of skills, experience, independence of Non-Executive members, time available for carrying out their duties and knowledge on the Board and, in the light of this evaluation, prepares a description of the role and capabilities required for a particular appointment.

C.2.3 The Nomination Committee recommends to the Board, for it to put to the shareholders for their approval in General Meeting, the members to be designated as non-executive Directors for a specified term.

C.2.4 Eurobank's Directors Report, in its Corporate Governance Statement, describes Nomination Committee's work during the previous year, under par. 3.5.

### **C.3 Commitment**

#### **Main Principle**

All Eurobank Directors allocate sufficient time to undertake the role to which they have been appointed.

#### **Practices**

C.3.1 The Nomination Committee identifies positions and responsibilities and recommends to the Board the appropriate Board structure for it to put to the shareholders for their approval in General Meeting.

C.3.2 The Chairman has no significant commitments which are not relevant to the Bank's business.

C.3.3 When the Nomination Committee recommends candidates to fill Board vacancies it ensures that they have sufficient time to meet what is expected of them.

Annually, the Nomination Committee, considers the Directors' other significant commitments and directorships outside Eurobank and escalates to the Board any significant issues.

C.3.4 Non-Executive Directors are committed to devoting significant time to the Board

C.3.5 It is forbidden to Directors to pursue personal interests if these are in conflict with the Group's interests. All Directors have a duty to formally inform the other members of the Board, of any personal interests they may derive or any conflict of interest that may occur, in carrying out their duties as Directors.

C.3.6 No Executive Director has taken on more than one non-executive directorship in a significant company outside the Group.

### **C.4 Development**

#### **Main Principle**

All Eurobank Directors receive a formal induction on joining the Board and regularly update and refresh their skills and knowledge.

#### **Practice**

C.4.1 All Directors on appointment receive a full and formal update on Eurobank business and strategy along with information about their obligations under the local regulations and the Board's procedures. The Chairman attends Management Committees at his discretion and ensures that Directors receive necessary updates on the Bank's activities on an on-going basis.

### **C.5 Information and Support**

#### **Main Principle**

The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Under the direction of the Chairman, the Board's Secretary's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required.

### **Practices**

C.5.1 The Chairman, through the Secretary to the Board or the Office of the Chief Executive Officer, ensures that the Directors receive accurate, timely and clear information. Management has an obligation to provide such information and Directors seek clarifications or amplification where necessary.

C.5.2 The Secretary of the Board and Group Corporate Governance advise the Board on all governance matters.

C.5.3 The Board ensures that Directors, especially Non-Executive, have access to independent professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as Directors. Committees are provided with sufficient resources to undertake their duties and are empowered to seek independent, professional advice whenever required.

C.5.4 All Eurobank Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. Both the appointment and removal of the Board Secretary are matters for the Board as a whole.

## **C.6 Evaluation**

### **Main Principle**

The Nomination Committee undertakes a formal evaluation of the Board's performance once every two years.

### **Practices**

C.6.1 The Nomination Committee undertakes, once every two years, a performance evaluation of the Board, assessing the skills, knowledge and experience of individual directors as well as effective contribution and commitment to the role, and report on this to the Board. The Board acts on the results of the evaluation by recognising the strengths and addressing the weaknesses. Additionally, the Board takes note of the self-evaluation reports of the Board Committees.

C.6.2 The Nomination Committee considers the objective criteria and characteristics that new members of the Board should have in order to increase the Board's effectiveness and enhance its stature in Greece.

## **C.7 Re-election**

### **Main Principle**

The Eurobank Annual General Meeting appoints the whole Board at the same AGM and its term expires on the date of the AGM three years later.

### **Practice**

C.7.1 The Nomination Committee recommends to the Board the reappointment of Directors at the conclusion of term of office and the appointment of any Board vacancies and the Board puts to the General Meeting for election for a specified term. Biographical details and any other relevant information are provided on the Bank's website to enable shareholders to take an informed decision on their election.

## **SECTION D: Accountability**

### **D.1 Financial and Business Reporting**

#### **Main Principle**

The Directors present a fair, balanced, detailed and understandable assessment of Eurobank's position and prospects.

The Board's responsibility to present a fair, balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

The Board establishes arrangements that enable it to ensure that the information presented is fair, balanced and understandable.

#### **Practices**

D.1.1 The Directors provide a statement regarding the compliance of annual and semi-annual financial statements with applicable accounting standards and the fair presentation of financial position and results of Eurobank. In addition, the annual report of the Directors includes a fair review of the development, the performance and the position of the Bank and the Group, together with a description of the principal risks and uncertainties they face. Furthermore, the auditors provide a statement regarding their reporting responsibilities on the financial statements.

D.1.2 The Executive Directors of the Group provide all stakeholders on a quarterly basis a presentation of financial results and an analysis of performance highlights. The Board provides, through its annual and semi-annual reports, financial results review, business outlook and risks, going concern considerations, as well as any other relevant information to stakeholders required by applicable laws and corporate governance standards.

### **D.2 Risk Management and Internal Control**

#### **Main Principle**

The Board approves strategic risk management decisions (e.g. risk appetite, balance sheet profile and risk management structure) and monitors the quantitative and qualitative aspects of all market, credit, liquidity and operational risks.

The Board determines annually the nature and extent of the significant risks it considers appropriate for the Bank to take in achieving its strategic objectives and determines the capital required to support the risk profile of its balance sheet and its business operations going forward. It has also established a system of internal controls that is based on international best practice 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

#### **Practice**

D.2.1 The Eurobank Board has delegated its Risk Management and Internal Control responsibilities to the Risk and Audit Committees who report to the Board on a regular basis. Following clearance by the Board Committees, the Board ratifies for submission to the Bank of Greece

- a) Audit Committee's annual report on the evaluation of Internal Audit's annual assessment of the systems of internal controls
  - b) Internal Audit's annual assessment of the systems of internal control and
  - c) Risk Committee's Risk Management Annual Report
- and is informed on Compliance's annual assessment of regulatory compliance policies.

### **D.3 Audit Committee and Auditors**

#### **Main Principle**

The primary function of the Audit Committee is to assist the Board of Directors 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 function and of the Compliance function.

## Practices

D.3.1 The General Meeting upon proposal by the Board appoints the Audit Committee members, for a term of 3 years. The Audit Committee consists of at least three non-executive Directors. The current Audit Committee consists of four non-executive Directors, two of whom are independent. The Chairman of the Audit Committee, an Independent Non-Executive Director and one other member, a Non-Executive Director, have extensive knowledge and experience in accounting and auditing issues. The Audit Committee as a whole is IT, financially and legally literate and possesses the necessary skills and experience to carry out its duties.

D.3.2 The main role and responsibilities of the Audit Committee as set out in its written terms of reference which provide details on the purpose, organisation, authority, duties and responsibilities and relationship with external auditors, are:

- to monitor the integrity of the financial statements to be published, reviewing significant financial reporting judgements contained in them
- to review the internal control and risk management systems
- to monitor and review the effectiveness of the internal audit and compliance functions
- to make recommendations to the Board, for it to put to the shareholders for their approval in General Meeting, in relation to the appointment, remuneration and terms of engagement of the external auditor
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements
- to develop and implement policy on the engagement of the external auditor to supply non-audit services taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm
- to consider any issues pertaining to the External Auditors' independence and objectivity (including the provision of non-audit services), to communicate the result to the Board and to recommend, appropriate action. In doing so, the Committee receives annual confirmation from the External Auditors regarding their independence.

Eurobank's Directors Report in its Corporate Governance Statement describes the main terms of reference of the Audit Committee under par.3.1.

D.3.3 The Audit Committee provides advice to the Board on whether the annual and semi-annual financial statements comply with the applicable accounting standards and present fairly the financial position and results of Eurobank. Furthermore, the Audit Committee provides advice on whether the annual report of the Directors provides the information necessary for shareholders regarding the presentation of a fair review of the development, the performance and the position of the Bank and the Group, together with a description of the principal risks and uncertainties they face.

D.3.4 The Audit Committee assesses the confidential procedures established by Management for employees to submit complaints and comments regarding compliance with the applicable-legislation, internal regulations and proper practices (whistle blowing). Care is taken to ensure the protection of the whistle-blower.

D.3.5 The Audit Committee:

- ensures that the Internal Audit and Compliance functions are independent, adequately organized, have unrestricted access to any pertinent information and operate efficiently and effectively.
- is responsible for the appointment, replacement or dismissal of the Internal Audit Director and Head of Compliance and periodically assesses their performance and remuneration together with the Remuneration Committee.
- approves the Terms of Reference and Annual Plans of the Internal Audit and Compliance functions.
- has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor. The partner of the external audit firm responsible for the audit is rotated once every 4 years.

D.3.6. Eurobank's Directors Report, in its Corporate Governance Statement under par. 3.1, provides an overview of the Audit Committee's work in discharging its responsibilities during the previous year, including the Committee's work in relation to the financial statements, the effectiveness of the external audit process and the objectivity and independence of Eurobank's external auditors.

## **D.4 Eurobank Risk Committee**

### **Main Principle**

The Eurobank Risk Committee approves strategic risk management decisions (e.g. risk appetite, balance sheet profile and risk management structure) and is in charge of monitoring the quantitative and qualitative aspects of all market, credit, liquidity and operational risks.

### **Practice**

D.4.1 The main duties and responsibilities of the Eurobank Risk Committee indicatively are to:

- Review on a regular basis the adequacy of risk policies and procedures in order to identify, assess, monitor and control significant risks
- Monitor changes in the control environment
- Review systematically credit, market, liquidity and operational risks and assess in line with approved risk appetite
- Sponsor any significant risk related projects
- Ensure that risk related decisions, taken by the relevant authorities, are communicated on a timely basis
- Delegate market and credit approval limits to the Bank's management committees
- Approve credit lines greater than the authorities granted to the Bank's Credit Committees and officers
- Keep the Board of Directors and the Audit Committee updated on relevant matters.

## **SECTION E: Remuneration**

### **E.1 The Level and Components of Remuneration**

#### **Main Principle**

The Eurobank remuneration policy aims to align the individual Directors and employees objectives with the long-term business objectives and strategy of Eurobank and the long-term value creation for shareholders. Consequently, the operating standards and mechanisms which have been adopted ensure that the levels of rewards are directly linked to results and desired behaviours.

The Bank has established a competitive compensation framework, in order to attract, engage and retain its Directors and employees. Its basic principles are to:

- Safeguard that the compensation is sufficient to retain and attract executives with appropriate skills and experience
- Monitor that internal equity between business units is applied
- Avoid excessive risk behaviour
- Link compensation with long-term performance

The continuous monitoring of market trends and best practices creates a competitive Remuneration Policy that is transparent and promotes internal equity.

#### **Practices**

E.1.1 Following a proposal from the Remuneration Committee, the remuneration of all Directors is determined by the Supervisory Remuneration Committee, subject to the approval of the General Meeting of Shareholders.

According to Eurobank's Remuneration policy, at least 40% of the variable remuneration awarded is deferred over a period of no less than 3 years and no more than 5 years, in order to ensure that the risks undertaken have been assessed over a multi-year framework and to avoid short-term benefits.

At least 50% of the variable remuneration is paid in shares or other instruments in order to ensure that performance as well as current and future risks related to the award, are assessed over several years. Any equity remuneration related scheme is approved by the General Meeting. Variable remuneration (deferred and non-deferred) is awarded or vested when the financial performance of the Bank as well as the individual and business unit performance are considered satisfactory.

When the Bank has declining or negative financial performance, the deferred remuneration can be reduced (malus). Maluses are applied after taking into consideration Bank and individual performances and assessing the impact of imprudent risk taking. Additionally, the Bank can revoke any vested part of the deferred remuneration (clawback). Since 2009, when the Bank first received State Aid, executive directors do not receive variable remuneration.

E.1.2 The remuneration of the non-executive Directors is fixed and linked to their responsibility, the time dedicated to performing the duties assigned, and is not determined by the individual financial performance of the business area they monitor.

E.1.3 Under Greek Company Law, the appointment of a Director may be revoked at any time without notice by the General Meeting.

## **E.2 Procedure**

### **Main Principle**

The Remuneration policy is approved by the Supervisory Remuneration Committee following the recommendations from the Remuneration Committee.

The Remuneration policy is subject to annual internal audit review from the Internal Audit Unit.

### **Practices**

E.2.1 The Board has delegated to the Supervisory Remuneration Committee the responsibility to approve, maintain and oversee the implementation of the remuneration policy both at Bank and Group level. The current Supervisory Remuneration Committee consists of three non-executive directors, one of whom, the Chairman, is independent (whose independence to be ratified at the next General Meeting). No individual is present when his/her own remuneration is being considered. The Committee, in carrying out its duties, is accountable to the Board.

E.2.2 The Supervisory Remuneration Committee is responsible to:

- approve Bank and Group remuneration policies
- determine the remuneration of BoD members (executive and non-executive), subject to approval from the General Assembly.
- approve the remuneration of top management personnel, as well as of the highest paid staff and ensure no conflict of interest arise for directors.
- consider and recommend to the BoD any payment or compensation commitment to be made to an executive director on termination of his/her office.
- ensure compliance of the remuneration policy and its application with current laws and regulations.
- provide, when appropriate, adequate information to the General Assembly regarding its activities, with the assistance of the Remuneration Committee.

E.2.3 The Board has delegated to the Remuneration Committee the responsibility to provide specialized and independent advice for matters relating to remuneration policy, and its implementation at Bank and Group level. The current Remuneration Committee consists of three non-executive directors, two of whom are independent. The Committee's Chairman is one of the two independent directors. The Committee meets and reaches valid decisions when all members are present and decisions are adopted by majority of votes. No individual is present when his/her own remuneration is being considered. In carrying out its duties, the Committee is accountable to the Supervisory Remuneration Committee.

E.2.4 The Remuneration Committee is responsible to:

- approve the total performance related remuneration pool of the Group and its allocation among Business Units / companies.
- inform, advise and support the Supervisory Remuneration Committee regarding the design, revision and the implementation of the remuneration policy both at Bank and Group level.
- propose to the Supervisory Remuneration Committee the remuneration of the members of the BoD, top management personnel, as well as of the highest paid staff.
- ensure compliance of the remuneration policy and its application with current laws and regulations.
- while executing its duties, take into account the long-term interests of the shareholders, promote sound and prudent management and prevent or minimize any conflicts of interest that might arise.
- directly supervise the remuneration of key management personnel of Internal Audit, Compliance and Risk Management and to approve the remuneration of other key management personnel. Specifically for the heads of Internal Audit and Compliance, the Committee will act after consulting with the Audit Committee
- provide, when appropriate, adequate information regarding its activities to the General Assembly.

## **SECTION F: Relations with Shareholders**

### **F.1 Dialogue with Shareholders**

#### **Main Principle**

Eurobank is actively facilitating communication between Management and the shareholders.

#### **Practice**

F.1.1 Eurobank is actively facilitating interactive communication between the Management and the shareholders, through the following mechanisms:

- The Board's proposals to the General Meeting are accompanied by detailed explanations available on the website to enable an informed and constructive discussion of the issues at the General Meeting.
- Through the Shareholder's Registry Sub-Division, all shareholders are able to address issues to Management either physically or by e-mail or by telephone and submit their proposals.
- Roadshows: Roadshows and meetings enable institutional investors to maintain contact with Management, through the Group's Investor Relations Department.
- Publications: Twice a year, the Shareholder's Registry Department and the Investor Relations Department issue a bulletin available in printed form and on the Group's website, which contains information about key issues concerning Eurobank and its shareholders. The bulletin makes extensive reference to the means available to shareholders for sending their comments and recommendations to the appropriate Departments of the Group.
- Provide its shareholders with the following capabilities through its website:
  - Shareholder FAQ: the Shareholder's Registry Sub-Division gives uniform answers to frequently asked questions (FAQ) by the shareholders on the same subject.
  - Electronic updates and alerts: interested parties who complete the "Electronic Updates Form" can receive timely alerts about the information they are interested in, specifying the exact web page where this information will be posted.

### **F.2 Constructive use of the General Meeting**

#### **Main Principle**

The Board uses the General Meeting to communicate with shareholders and to encourage their participation.

#### **Practices**

F.2.1 The shareholders are called to express their opinions on the issues under review, during an open discussion. Any shareholder may request the Board of Directors to provide the General Meeting with specific information regarding Eurobank business, to the extent that this is useful for the actual assessment of the items on the agenda. Shareholders representing 5% of the paid-up share capital may require the Board of Directors to include additional items on the General Meeting's agenda or publish alternative draft resolutions for items already included in the agenda. Shareholders representing 20% of the paid-up share capital may require the Board of Directors to provide the General Meeting with information about the course of the Eurobank affairs and financial situation.

F.2.2 At any General Meeting, Eurobank proposes a separate resolution on each substantially separate issue, and especially, proposes a resolution at the Annual General Meeting relating to the annual financial statements. For each resolution, proxy forms provide shareholders with the option to direct their proxy to vote either for, against or to abstain.

F.2.3 Eurobank ensures that all valid proxy appointments received for general meetings are properly recorded and counted. Voting is always by ballot. For each resolution Eurobank ensures that the following information is made available, within 5 days after the General Meeting, on its website:

- the number of shares casting valid votes
- the percentage of share capital represented by these votes
- the total number of valid votes
- the number of votes for or against each resolution
- the number of shares in respect of which the vote was abstained

F.2.4 Board and Board Committees' members are available to answer questions at the Annual General Meeting.

F.2.5 The Board arranges for the Notice of the General Meeting and related papers to be available to shareholders at least 20 calendar days before the meeting.