



EUROBANK ERGASIAS S.A.

**CORPORATE GOVERNANCE CODE
AND PRACTICES**

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TABLE OF CONTENTS

Section A: Introduction	3
Section B: Board of Directors	3
B.1 The Role of the Board of Directors	3
B.2 Division of Responsibilities	4
B.3 The Chairman	4
B.4 Non-executive Directors	4
B.5 Non-executive Director representing the Ministry of Finance	5
B.6 Non-Executive Director representing the HFSF	5
SECTION C: Effectiveness	7
C.1 The Composition of the Board	7
C.2 Appointments to the Board	7
C.3 Commitment	8
C.4 Development	8
C.5 Information and Support	9
C.6 Evaluation	9
C.7 Re-election	9
SECTION D: Accountability	10
D.1 Financial and Business Reporting	10
D.2 Risk Management and Internal Control	10
D.3 Audit Committee and Auditors	10
D.4 Eurobank Risk Committee	12
SECTION E: Remuneration	13
E.1 The Level and Components of Remuneration	13
E.2 Procedure	13
SECTION F: Relations with Shareholders	15
F.1 Dialogue with Shareholders	15
F.2 Constructive use of the General Meeting	15

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 the Bank's contractual obligations with the Hellenic Financial Stability Fund (HFSF) 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 the local legislation, international best practices and the Bank's contractual obligations with HFSF.

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 eight directors including one government representative and one representative of the Hellenic Financial Stability Fund ("HFSF") who 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, business and restructuring plans, set performance objectives, monitor performance, oversee and approve major capital expenditures, acquisitions, divestitures and formation of new entities including creation of special purpose vehicles
- review and approve at least annually Eurobank's risk strategy and risk appetite
- receive and discuss at least on a quarterly basis comprehensive risk reports covering all the main risks and providing an overview of the key changes in the Bank's risk profile versus risk targets and risk appetite
- develop and deliver the objectives in the agreed restructuring plan under recapitalization Law 3864/2010 and for taking any action necessary to that effect
- provide oversight to senior management
- approve Eurobank's corporate governance practices and corporate values and monitor their effectiveness making changes as needed
- oversee the appropriateness and the implementation of the Bank's policies and procedures regarding the lending decisions and the pricing of loans or other commercial policies within the normal course of business or operations
- 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, manage and approve where required potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- ensure a clearly defined policy governing relations with connected borrowers exists and oversee its implementation
- 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, according to its Articles of Association, may assign the exercise of the whole or part of its powers to one or more persons, members of the Board or not, employees of the Bank or third parties, by determining the extent of the assigned powers. Assignment of its powers for decisions regarding IAS 24 related party transactions are not permitted under local legislation.

The Board meets regularly every quarter and on an ad hoc basis given at least four 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, Remuneration and Nomination Committees, assesses their performance, and approves their mandate and composition. The structure of the Board and Board Committees' membership as well as the members who are appointed as the risk and financial/audit experts are fully described in Eurobank's Annual Directors' Report which also sets out the number of meetings, of the board and its committees and overall attendance by Directors. The Board Committees' Terms of Reference and their composition are available on the Bank's website.

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 ensuring its effectiveness on all aspects of its role, overseeing its proper operation.

The Chairman should always be a non-executive director and should not serve as Chairman of either the Risk or Audit Committees.

The Chairman is a member of the Board's Nomination Committee and attends Management Committees at his discretion.

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
- approve, maintain and oversee the implementation of the remuneration policy both at Bank and Group level (see also par. E.2.1).

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, as of 19 June 2013 HFSF has become the controlling shareholder of the Bank. Following that, a Relationship Framework Agreement (RFA¹) was signed between the Bank and the HFSF on 12 July 2013 which determines covenants governing the relationship between the two parties and the matters related with amongst others the corporate governance framework of the Bank, the development, approval and monitoring of the Bank's restructuring plan and HFSF's consent for material matters.

The RFA and applicable Law 3864/2010 do not preclude, reduce or impair the Bank's management to continue to determine independently, among others, the Bank's commercial strategy and policy in compliance with the restructuring plan and the decisions on the day-to-day operations.

Rights under L. 3864/2010

HFSF has the right to:

- participate in the board of directors, through a representative designated as additional board member
- preferential satisfaction from the proceeds of liquidation over all other shareholders (in case the bank enters into liquidation) together with the Greek State as of preference shareholder under Law 3723/2008.

HFSF's representative has the right to:

- request the convocation of the Shareholders' General Meeting within shortened deadlines
- request the convocation of the Board of Directors
- 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.
- request the postponement of a Board meeting for up to 3 business days so as to receive HFSF's directions
- have, free access to the Bank's books and records for the purposes of law 3864/2010, with advisers of his choice
- approve the Chief Financial Officer of Eurobank.

Rights under RFA (additional to the rights provided for in L. 3864/2010)

HFSF has the right to:

- elect/re-elect the board of directors and designate the CEO and, in agreement with CEO, the deputy CEOs and the other executive board members.
- appoint up to two representatives as non-executive members of the board of directors

¹ The HFSF has published in its website (http://www.hfsf.gr/files/rfa/RFA_%20HFSF%20full%20voting%20rights.pdf) the RFA template incorporating HFSF's full exercise of its voting rights as per Law 3864/2010 provisions, which is the applicable template for Eurobank's case.

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- appoint a non-voting observer to the Executive Board, the Management Committee, the Central Credit Committee and the Group Assets & Liabilities Committee of the Bank
 - perform an overall evaluation of the Board, all Board Committees (Audit, Risk, Remuneration and Nomination Committees) and of Executive Board, the Management Committee, the Group Assets & liabilities Committee and the Central Credit Committee of the Bank.

HFSF's representative has the right to:

- participate in the Audit, Risk, Remuneration and Nomination Committees
- request the convocation of the aforementioned board committees to which he participates
- include items on the agendas of the general meetings, the Board and the aforementioned Board Committees meetings
- approve the Bank's CFO, CRO, COO and CIA and their dismissals
- approve the terms and criteria used for the appointment of the Chairman of the Audit and Risk Committees
- free access to the Bank's books and records for the purposes of the HFSF Law with consultants of his choice in order to ensure the effective exercise of the HFSF rights under the Law, including the monitoring of the implementation of the Restructuring Plan.

Finally, the Bank is obliged to receive HFSF's prior written consent for all material matters defined in the RFA, which, amongst others, are material corporate actions (i.e. share capital increases, mergers etc.), the restructuring plan under recapitalization Law 3864/2010, material human resources matters and handling of material litigations or proceedings.

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.

The Board in deciding chairmanship and membership of Committees ensures membership's refreshment and that no undue reliance is placed on particular individuals.

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

As of 22 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 seven Non-Executive Directors of whom three are independent non-executives. The Nomination Committee and/or the full Board considers which members qualify as independent non-executive directors and in this consideration apply independence criteria, focusing on substance rather than form. The independence criteria considered are those under local regulations (L.3016/2002) and European Commission's recommendation 2005/162/EC as provided for in RFA. Subsequently, the Nomination Committee recommends to the Board the independent non-executive directors' appointment.

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

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 4 non-executive Board members. Two of the members are independent while 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, where required candidates as members of the Board and satisfies itself that plans are in place related to the succession planning of key management personnel.

Practices

C.2.1 The Nomination Committee has the responsibility to regularly assess the structure, size and composition of the Board and make recommendations to the Board with regard to any changes. The Nomination Committee's composition is appointed and approved biennially by the Board. The Chairperson of the Nomination Committee is appointed by the Board. At least once every two years the Committee reviews its own performance and terms of reference. Any changes in the terms of reference are submitted to the Board for approval.

C.2.2 The Nomination Committee evaluates the balance of skills, knowledge and experience and assesses the time commitment expected and in the light of this evaluation, prepares a description of the role and capabilities required for a particular appointment.

The Nomination Committee reviews regularly the selection criteria policy for Directors and it also reviews the terms and criteria used for the appointment of the Chairman of Audit Committee and Chairman Risk Committee subject to HFSF's representative(s) approval.

Moreover, the Nomination Committee ratifies the appointment of key management personnel, excluding the Heads of Internal Audit and Compliance who are appointed by the Audit Committee and the Chief Risk Officer who is appointed by the Risk Committee, following in both cases consultation with the Nomination Committee. Specifically, the appointment and dismissal of the Chief Financial Officer, the Chief Risk Officer, the Chief Operating Officer and Chief Internal Auditor are subject to HFSF's representative(s) approval.

The Nomination Committee, also, ratifies the composition and members of the Committees established by the CEO. The composition and members of the Executive Board and the Management Committee are subject to HFSF's consent.

Furthermore, the Nomination Committee is informed on the selection of members of the Board of Directors of Group's significant subsidiaries, prior to approval from the respective General Assembly.

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 independent non-executive Directors.

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

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 Chairman dedicates appropriate time to fulfil his duties to the Board.

C.3.2 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, reports to the Board of Directors' other significant commitments and directorships outside the Bank's Group.

C.3.3 Non-Executive Directors are committed to devoting significant time to the Board. The Nomination Committee monitors semi-annually the attendance of the Directors to the BoD and its Committees and assesses the need for escalation to the Board, taking into consideration the commitment as per RFA.

C.3.4 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 Chairman of the Nomination Committee 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.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 preparation/ approval by the Board Committees and submission to the Board, the following documents are submitted to the Bank of Greece:

- a) Internal Audit's annual assessment of the systems of internal control
 - b) Audit Committee's annual report on the evaluation of Internal Audit's assessment of the systems of internal controls 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 Directors all of whom should be non-executive and 75% of whom should be independent. The current Audit Committee consists of three non-executive Directors, two of whom are independent. The Chairman of the Audit Committee, an Independent Non-Executive Director, has extensive knowledge and experience in accounting and auditing issues.

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 review the financial statements to be published, including significant financial reporting judgements contained in them
- to review the internal control and risk management systems and the compliance with rules and regulations process
- 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 ensure periodic tendering of the Bank's External Auditor
- 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.

D.3.3 The Audit Committee recommends to the Board the approval of the Financial Statements and Annual report, following review, analysis and discussion with Management and with External Auditors.

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.
- proposes to the Board 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. For this purpose the Audit Committee puts in periodic tender the Group's auditors, at least once every 4 years, and the tendering process takes place 2 calendar years (cooling off period) prior to their appointment by the General Meeting in order to provide the auditing firms with sufficient time to safeguard their independence.

D.3.6. Eurobank's Directors Report, in its Corporate Governance Statement, 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:

- To ensure that Bank has a well-defined Group risk strategy and risk appetite. The risk appetite should be articulated via a set of quantitative and qualitative statements for specific risk categories, including specific tolerance levels (by portfolio, sector, geography, credit rating etc.).
- To review and recommend to the Board the Bank's risk strategy and risk appetite, including an assessment of the appropriateness of the Bank's business/restructuring plan in the context of risk appetite, on an annual basis or more frequently, as required.
- To review, at least, on a monthly basis the Bank's risk profile vs. the Bank's risk appetite criteria, based on reports prepared by Risk Management Division.
- To review any overrides to the policy governing relations with Connected Borrowers, as monitored and reported by the Risk Management Division.
- To ensure that there are appropriate oversight mechanisms and controls for the monitoring and effective management of "troubled assets" defined so as to include:
 - Non-performing loans (NPLs)
 - Loans under restructuring or rescheduling schemes
 - Exposures which have been written off for accounting purposes but for which the Bank still pursues partial or full recovery.
- To review, approve and submit to the Board of Directors the annual Internal Capital Adequacy Assessment Process (ICAAP) report prepared by the Risk Management Division in co-operation with the Strategy Division and submitted to the Executive Board, the Board of Directors and Bank of Greece.
- To ensure that the Risk Governance principles as set out in the RFA are complied with.
- Following consultation with the Nomination Committee, to propose to the Board of Directors the appointment of the Chief Risk Officer and his dismissal. The HFSF Representative in the Board has the right to approve the CRO and his dismissal.
- To review and approve the Chief Risk Officer's annual report (prepared in accordance with relevant requirements of Bank of Greece Governor's Act 2577/9.3.2006) submitted to Executive Board, the Board of Directors and Bank of Greece.
- To keep Board and Audit Committee updated on important relevant risk matters and, to propose to the Board corrective actions in case the Committee identifies that the risk strategy is not implemented, partly or in full.

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 Non-executive Directors, 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 Non-Executive Directors 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 Non-Executive Directors have the responsibility to approve, maintain and oversee the implementation of the remuneration policy both at Bank and Group level. No individual is present when his/her own remuneration is being considered.

In particular, under the Bank of Greece Act 2650/19.1.2012, the Non-Executive Directors have the following responsibilities regarding remuneration:

- to approve the remuneration policy and its revisions
- to determine the remuneration of BoD members (executive and non-executive), subject to approval from the General Assembly
- to approve the remuneration of the executives who fall under the scope of the remuneration policy both at Bank and Group level, i.e. top management executives, risk takers, individuals whose total remuneration takes them into the same remuneration level as the aforementioned categories, individuals who perform control duties, individuals whose professional activities have a significant impact on the Bank's risk profile
- to approve any payment or compensation commitment to be made to an executive member of the BoD on termination of his/her office, subject to approval from the General Assembly
- to approve all exposures of Remuneration Committee members and ensure that the exposures granted and their terms are compliant with current laws and regulations. No member is present when his exposure is being considered
- to ensure compliance of the remuneration policy and its application with current laws and regulations
- to provide, when appropriate, adequate information to the General Assembly regarding their activities, with the assistance of the Remuneration Committee.

E.2.2 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 the members are independent while one representative of the HFSF has been appointed as member of the Remuneration Committee in accordance with relevant contractual requirements. 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 Non-Executive Directors.

E.2.3 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 Non-Executive Directors regarding the design, revision and the implementation of the remuneration policy both at Bank and Group level.
- propose to the Non-Executive Directors, the remuneration of the members of the BoD and the executives who fall under the scope of the respective remuneration policy both at Bank and Group level, i.e. top management executives, risk takers, individuals whose total remuneration takes them into the same remuneration level as the aforementioned categories, individuals who perform control duties, individuals whose professional activities have a significant impact on the Bank's risk profile.
- 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 (assess and approve) the remuneration of key management personnel of internal control functions (e.g. Internal Audit, Compliance, Risk Management Financial Control). For the heads of Internal Audit and Compliance, the Committee will act after consulting with the Audit Committee, while for the Chief Risk Officer the Committee will act after consulting with the Risk Committee
- approve the remuneration of other key management personnel, and the CEOs of the most significant subsidiaries even if they do not fall under the scope of the Bank of Greece Act 2650/19.1.2012.
- consider and recommend to the Non-Executive Directors of the BoD any payment or compensation commitment to be made to an executive member of the BoD on termination of his/her office.
- approve all exposures of BoD members, Executive Board Members, Management Committee members, Legal Counsel, Heads of Internal Audit, Compliance & Risk Management (excluding Remuneration Committee members whose exposures are approved by the Non-Executive Directors of the Board) and ensure that the exposures granted and their terms are compliant with current laws and regulations
- 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. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.

Whilst recognising that most shareholders' contact is with the CEO and CFO, the Chairman ensures that all Directors are made aware of their major shareholders' issues and concerns. The Board is kept in touch with shareholders' opinion in whatever ways are most practical and efficient.

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.