



ALPHA BANK

Audit Committee

Charter

DECEMBER 2019

Charter of the Audit Committee

1. Preamble

- 1.1. The Board of Directors, at its meeting held on 23.11.1995, resolved on the establishment of an Audit Committee (the “Committee”) for Alpha Bank (the “Bank”) and the Group Companies (the “Group”).
- 1.2. The Committee has been established and operates in accordance with all applicable laws and regulations.

2. Scope

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

- 2.1. Safeguarding the integrity of the financial reporting process by overseeing the generation of complete, reliable, accurate and timely Financial Statements which reflect the financial situation of the Bank and the Group.
- 2.2. Ensuring the independent, objective and effective conduct of internal and external audits of the Bank and facilitating communication between the auditors and the Board of Directors.
- 2.3. Ensuring and overseeing the development and implementation of an adequate and effective Internal Control System for the Bank and across the Group.
- 2.4. Ensuring and overseeing compliance with the institutional, regulatory and legal framework governing the operations of the Bank and the Group as well as with internal regulations and codes of ethics.
- 2.5. Overseeing the effectiveness and performance of the Internal Audit Division and of the Compliance Division of the Bank and of the respective Units across the Group.

3. Composition

- 3.1. The Committee consists of no less than three Members and no more than 40% of the total number of the Members of the Board of Directors of the Bank (rounded to the nearest whole number), excluding the representative of the Hellenic Financial Stability Fund (the “HFSF”). The exact number of the Members of the Committee is determined by the Board of Directors. All Committee Members are Non-Executive Members of the Board of Directors and at least 75% of them are Independent (excluding the HFSF representative). The representative of the HFSF is a Member of the Committee. The Committee generally includes one Member of the Risk Management Committee to ensure the proper sharing of information in common areas of interest.

- 3.2. The Chair of the Committee (the “Chair”) shall be appointed by its Members or elected by the General Meeting of Shareholders and is a Non-Executive Independent Member of the Board of Directors who has the required expertise and experience to oversee the audit, accounting and financial policies and processes within the remit of the Committee. The Chair cannot simultaneously act as Chair of the Board of Directors or Chair of the Risk Management Committee.
- 3.3. The Members of the Committee should collectively possess adequate knowledge of the banking sector and in general the required knowledge, skills and experience to adequately discharge the Committee’s responsibilities. At least one Member should either be a suspended or a retired statutory certified auditor or have accounting/auditing knowledge and experience. The adequacy of the experience and expertise of the Members of the Committee is regularly evaluated by the Corporate Governance and Nominations Committee.

4. Tenure

- 4.1. The Chair and the Members of the Committee are appointed for a period of four years, by a resolution of the Board of Directors, on the recommendation of the Corporate Governance and Nominations Committee. They may be appointed for more than one period. To the extent possible, changes to the Committee’s composition shall occur in a staggered manner.

5. Functioning

- 5.1. The Committee convenes monthly in general, adding meetings on an as-needed basis. It may invite any Member of the Management or Executive as well as external auditors to attend its meetings. The Head of Internal Audit and the Head of Compliance are regular attendees of the Committee meetings and have unhindered access to the Chair and to the Members.
- 5.2. The Chair shall convene a meeting of the Committee if any Member deems that such a meeting is necessary. The representative of the HFSF may convene an extraordinary meeting if the Committee Chair has not convened such a meeting within seven days of the submission of the relevant request by the HFSF representative. In this case, the meeting is convened within five days from the expiration of the seven-day period.
- 5.3. The Chair, with the support of the Secretary, sets the agenda of each Committee meeting. The agenda and the accompanying materials are sent to the Members of the Committee at least five business days prior to the scheduled date of the meeting. At the discretion of the Committee Chair, accompanying materials relating to specific agenda items may exceptionally be submitted less than five business days prior to the meeting. The representative of the HFSF may request the addition of specific items to the agenda.

- 5.4. At least once per year, the Committee shall have separate sessions with the Head of Internal Audit and with the Statutory Certified Auditor, without the presence of Executives.
- 5.5. The Chair shall ensure that minutes of the Committee meeting proceedings (the "Minutes") are appropriately kept by the Secretary. The Committee shall approve the Minutes of each meeting in the subsequent meeting and then the Chair and the Members shall sign them.
- 5.6. Any Member of the Committee may request that his/her opinion should be recorded in the Minutes.
- 5.7. The Committee may request and receive all information within the Bank that the former deems important for the proper discharge of its responsibilities. Where necessary, the Committee ensures the proper involvement of the internal control functions and other relevant functions of the Bank (e.g. compliance, human resources, legal, finance) within their respective areas of expertise.
- 5.8. The Chair regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal report on the work of the Committee during the year, parts of which are included in the Bank's annual Corporate Governance Statement.
- 5.9. The Committee holds joint sessions with the Risk Management Committee to discuss matters of importance and common interest. These sessions take place on a regular basis (at least twice per year) and as required.
- 5.10. The Committee may appoint reputable independent experts and consultants to support it in the exercise of its duties.

6. Decision-making procedure

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

7. Responsibilities

The Committee has the following responsibilities:

Financial Reporting

- 7.1. Monitors the financial reporting process of the Bank and the Group and submits recommendations or proposals to ensure its integrity.
- 7.2. Supervises and assesses the procedures for drawing up the Annual and the Interim Financial Statements of the Bank and the Group, in accordance with the applicable accounting standards.
- 7.3. Reviews the quarterly, semi-annual and full year Financial Statements of the Bank and the Group, together with the Statutory Auditors' Report where applicable and the Board of Directors' Annual Management Report, prior to their submission to the Board of Directors for approval. Indicatively, the Committee focuses on:
 - Changes in their drafting, such as critical accounting estimates, one-off items impacting the Financial Statements and significant variances from the previous year.
 - Accounting areas that require a high level of professional judgment.
 - Significant adjustments arising from the audit, whether resolved or not.
 - Compliance with the accounting principles and practices and with the applicable accounting standards.
 - Compliance with applicable laws and regulations, including those of the Hellenic Capital Market Commission.
 - Any legal or tax matters which could significantly impact the Financial Statements.
- 7.4. Oversees the establishment of accounting policies.

Internal Audit

- 7.5. Reviews annual or multi-year audit plans and recommends their approval by the Board of Directors.
- 7.6. Reviews the periodic reports on the activity of the Internal Audit Division in the Bank and the Group Companies as well as on the corrective actions for the adequate handling of comments and recommendations identified in these reports.
- 7.7. Is informed of the activity of the Internal Audit Units of the Group Companies as well as of any critical issues on which the Audit Committees of the Group Companies are updated.
- 7.8. Evaluates the work of the Internal Audit Division, including its independence, the planning process in relation to risks, the quality and scope of audits conducted and related audit reports, the audit processes and systems and the overall effectiveness of its operation. In particular, the Committee evaluates

annually the organizational structure and staffing of the Internal Audit Division. The Internal Audit Division shall be administratively independent of the business lines and the internal units it controls.

- 7.9. Approves and submits to the Board of Directors for ratification changes to the Rules and Regulations of the Internal Audit Division, ensuring that they are compatible with the principles of the Institute of Internal Auditors and the applicable legal framework. The Committee reviews the Rules and Regulations of the Internal Audit Division annually.
- 7.10. Reviews and approves policies regarding the Internal Audit Units of the Bank and the Group as well as any amendments thereto.
- 7.11. Recommends to the Board of Directors the appointment or replacement of the Head of Internal Audit. The Head of Internal Audit, while administratively reporting to the Chief Executive Officer (CEO), shall report functionally to the Board of Directors through the Committee.
- 7.12. Consults with the Remuneration Committee on the remuneration of the Head of Internal Audit of the Bank.
- 7.13. Is responsible for the evaluation of the performance of the Head of Internal Audit, in accordance with the provisions of the Bank's "Policy for the Evaluation of Senior Executives and Key Function Holders".

External Audit

- 7.14. Reviews the audit of the annual Financial Statements of the Bank and the Group conducted by the Statutory Certified Auditors, meeting with them on a regular basis; reviews the scope and frequency of the statutory audit.
- 7.15. Informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process.
- 7.16. Ensures that all information and findings of the external auditors on the Financial Statements of the Bank are appropriately discussed with the Bank's supervisors and regulators, in accordance with the provisions of the applicable International Standards on Auditing.
- 7.17. Reviews the plan and effective conduct of the external audit and ensures appropriate communication between the auditors and the Board of Directors.
- 7.18. Ensures timely receipt and submission to the Board of Directors of the Annual Audit Report of the Statutory Certified Auditors in conformity with the applicable laws.
- 7.19. Ensures receipt of and reviews the Additional Report of the Statutory Certified Auditors of the Bank, transmitting it with any observations to the Board of Directors, and any other report called for under the laws in effect.

- 7.20. Is responsible for the procedure for the selection of the Statutory Certified Auditors of the Bank and makes recommendations to the Board of Directors on the appointment or dismissal, rotation, tenure and remuneration of the Statutory Certified Auditors, according to the relevant regulatory and legal provisions.
- 7.21. Monitors the independence of the Statutory Certified Auditors in accordance with the applicable laws, which includes reviewing, inter alia, the provision by them of Non-Audit Services to the Bank and the Group. In relation to this, the Committee examines or approves all proposals regarding the provision by the Statutory Certified Auditor of Non-Audit Services to the Bank and the Group, based on the relevant Bank policy that the Audit Committee oversees and recommends to the Board of Directors for approval.

Internal Control and Regulatory Compliance

- 7.22. Monitors and assesses, on an annual basis, the adequacy, effectiveness and efficiency of the Internal Control System of the Bank and the Group based on reports by the Internal Audit Division and the findings of the external auditors, the supervisors and the tax authorities.
- 7.23. Provides a relevant statement in the annual Corporate Governance Statement that the evaluation of the Internal Control System has been conducted.
- 7.24. Submits recommendations to the Board of Directors regarding remedies for identified weaknesses in the Internal Control System of the Bank and the Group and monitors the implementation of corrective measures.
- 7.25. Requests external auditor reports on problems or weaknesses identified in the Internal Control System of the Bank and the Group, as needed.
- 7.26. Every three years or when required, selects external auditors, other than the Statutory Certified Auditor, that will perform the assessment of the adequacy of the Internal Control System of the Bank and/or the Group Companies, including the overall system of segregation of duties.
- 7.27. Ensures that the external auditors, to whom the assessment of the adequacy of the Internal Control System every three years (as per 7.25) has been assigned, rotate at least after two consecutive assessments.
- 7.28. Pre-approves the assignment of projects to external auditors that have been responsible for conducting the assessment of the Internal Control System of the Bank and/or the Group (as per 7.25).
- 7.29. Submits recommendations to the Board of Directors on specific areas where further audits may need to be carried out by the internal or external auditors.

- 7.30. Recommends to the Board of Directors the appointment or replacement of the Head of Compliance on the proposal of the CEO.
- 7.31. Evaluates annually the organizational structure, staffing, training effectiveness and independence of the Compliance Division. The Compliance Division shall be administratively independent of the business lines and the internal units it controls. The Head of Compliance, while reporting administratively to the General Manager – Chief Legal and Governance Officer, shall report functionally to the Audit Committee, which shall refer accordingly to the Board of Directors.
- 7.32. Approves the Rules and Regulations of the Compliance Division and considers at least annually, or whenever required, any needs for their update.
- 7.33. Evaluates, in the first half of each year, the adequacy and effectiveness of the processes and procedures of the Compliance Division, based on the Annual Compliance Report, as per the regulatory framework in force.
- 7.34. Assesses the adequacy and effectiveness of the Anti-Money Laundering and Combating the Financing of Terrorism Policy, reporting annually to the Board of Directors and to the Supervisory Authorities in the first quarter of each year; reviews the implementation of the Markets in Financial Instruments Directive (MiFID).
- 7.35. Consults with the Remuneration Committee on the remuneration of the Head of Compliance.
- 7.36. Recommends to the Board of Directors for approval the Code of Ethics of the Bank and the Group as well as the Anti-Bribery and Corruption Policy.
- 7.37. Recommends to the Board of Directors for approval the Bank's and the Group's Whistleblowing Policy and Procedures and receives relevant updates and reports on the results of investigations by the Group's Whistleblowing Committee.
- 7.38. Reviews and proposes to the Board of Directors the Policy on the Prevention of Conflict of Interests and the Policy on "Related Parties" Transactions and, to the extent required by the above-mentioned Policy, assists the Board in having sufficient information on related parties transactions.
- 7.39. Reviews significant regulatory correspondence, reports and other communications (as required) received from regulatory, supervisory and tax authorities.

Other

- 7.40. Reviews the Corporate Responsibility Report and Non-Financial information reporting.
- 7.41. Cooperates and communicates with the Risk Management Committee regarding the oversight of certain key areas of risk and capital management and their repercussions on the Internal Control System.
- 7.42. Ensures the availability of resources, within and outside the Bank, required to support the work of the Committee.
- 7.43. Meets on a regular basis with the Group Companies' Audit Committees and reviews their annual and semi-annual Activity Reports regarding the fulfillment of their responsibilities.

8. Review of the Charter

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