



**Board Risk Committee**  
**of**  
**Eurobank Ergasias**  
**Services and Holdings S.A.**

**Terms of Reference**

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## 1. INTRODUCTION

The Board Risk Committee (“Committee” or “BRC”) of Eurobank Ergasias Services and Holdings S.A. (the Holding) is a Board Committee established by the Board of Directors (“Board” or “BoD”) of Holding.

The Terms of Reference (“ToR”) are in accordance with international best practices and comply with the applicable regulatory framework<sup>1</sup>.

The ToR are approved by the Board and are reviewed at least annually and revised if necessary, unless significant changes in the role, responsibilities, organization and/or regulatory requirements necessitate earlier revision.

## 2. PURPOSE

The purpose of the BRC is to assist the BoD in the following risk related issues regarding the Holding and its subsidiaries (the Group):

- a) To advise and support Holding’s BoD regarding the monitoring of the Group’s overall actual and future risk appetite and strategy, taking into account all types of risks to ensure that they are in line with the business strategy, objectives, corporate culture and values of the Holding;
- b) To provide Holding’s BoD with recommendations on necessary adjustments to the risk strategy;
- c) To assist Holding’s BoD in overseeing the implementation of the Group’s risk strategy and the corresponding limits set;
- d) To oversee the implementation of the strategies for capital and liquidity management as well as for all material risks of the Group, as identified through the Risk Identification and Materiality Assessment (RIMA) process and listed in the relevant RIMA report, in order to assess their adequacy against the approved risk appetite and strategy. Material risk types include financial and non-financial risks, indicatively credit risk, market risk, liquidity risk, interest rate risk and credit spread risk in the banking book, counterparty risk, operational risk, climate risks, country risk, reputational risks, conduct risk, risks stemming from strategic projects;
- e) To review a number of possible scenarios, including stressed scenarios, to assess how Holding’s risk profile would react to external and internal events;
- f) To provide advice on the appointment of external consultants that Holding’s BoD may decide to engage for advice or support;
- g) To assess the recommendations of internal or external auditors and follow up on the appropriate implementation of measures taken;
- h) To ensure that the Group has developed an appropriate risk management framework which is embedded in the decision making process throughout the Group;

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<sup>1</sup> Such as the Bank of Greece’s Governor’s Act 2577/9.3.2006, the law 4261/2014 all as currently in force, EBA’s Guidelines on internal governance.

- i) To define the Group risk management principles and ensure that there are the appropriate methodologies, data sources and sufficient and competent staff to identify, assess, monitor and mitigate risks; and
- j) To set, approve and oversee the implementation of Holding's risk culture, core values and expectations regarding all risks.

### **3. AUTHORITY**

The BRC is authorized:

- To have unrestricted access to information and cooperation with members of the Management and employees, who support the Committee in its role.
- To obtain external professional advice, as it deems necessary, provided that no conflict of interest arises. To that effect the Committee shall receive appropriate funding.
- To work and liaise as necessary with all other Board Committees.
- To be assisted in the performance of its duties and responsibilities by Management Committees of Eurobank S.A.
- To delegate specific responsibilities and authorities, within the purview of its responsibilities and authorities, to Management Committees.

### **4. MEMBERSHIPS**

- The BRC members are appointed by the BoD, following the recommendation of the Nomination and Corporate Governance Committee, in accordance with legal and regulatory framework where applicable.
- The BoD may propose the change of the composition of the BRC at any time it deems necessary.
- The BRC members should not exceed 40% of total BoD members (in case of fraction, rounded to the next integer) with a minimum of 3 members. All BRC members should be non-executive.
- The majority of the members should be independent non-executive. The independent members of the Committee fulfill the requirements of the applicable local legislation, the BoG's Executive Committee Act No 224/1/21.12.2023 and the European Commission recommendation 2005/162/EC.
- The Chairperson and the Vice-Chairperson of the Committee who qualify as independent members, are appointed by the BoD in accordance with legal and regulatory requirements where applicable. The appointment of the Chairperson and the Vice-Chairperson shall go through the Nomination and Corporate Governance Committee's proposal process.
- The Chairperson of the BRC should not also serve as the Chairperson of the Board or the Board's Audit Committee and should be independent non-executive with a solid experience in commercial banking and preferably risk and/or Non-Performing Exposures management, as well as be familiar with Greek and international regulatory framework.

- All BRC members should have prior experience in the financial services or commercial banking industry, with at least one member (expert) having solid risk and capital management experience as well as familiarity with local and international regulatory framework.
- The tenure of the BRC members coincides with the tenure of the BoD, with the option to renew their appointment, but in any case the service in the BRC should not be more than nine (9) years in total.
- The BRC members may participate in other Committees of the Holdings's BoD and/or in the BoDs and Board Risk Committees of subsidiary entities.
- The members of the Committee may be invited and participate in the Audit Committee meetings and/or similarly the members of the Audit Committee may be invited and participate in the Board Risk Committee meetings (joint Audit Committee and Board Risk Committee meetings) for the discussion / approval of items that fall under the responsibility of both Committees.
- The BRC members are not allowed to hold positions and conduct transactions through which a conflict regarding the BRC's mission might arise. In this regard, the Committee members should be demonstrably independent of Management.

## 5. MEETINGS

- The BRC shall meet at least ten (10) times per year. The Chairperson shall update the BoD members on the material matters covered by the Committee during the previous period (if any) at the quarterly meetings of the BoD.
- Quorum requires the majority of members (half plus one) to be present or represented<sup>2</sup>. The Chairperson or the Vice Chairperson must be one of the participating members. In determining the number of members for the quorum, fractions, if any, will not be counted.
- Only BRC members have the right to attend the BRC's meetings. However, the AC members may also attend BRC sessions when common issues are discussed. In addition, the Chairperson of the BRC may invite to the meetings members of Management, Eurobank's Directors of Group Risk Management General Division, the Chairperson of the subsidiaries' Risk Committee or outside advisors or experts, as deemed appropriate. The number of additional invitees should be restricted, so as not to impact the effectiveness and efficiency of the meeting.
- Members may attend the meetings by video or audio conference while mandatory minimum attendance should be achieved as described in the Board and Board Committees' Attendance Policy. In particular, each Board member is expected to achieve mandatory minimum attendance to the Board and Board Committees where they participate of not less than 85% every calendar year, while individual meetings up to 15% can be missed only if a valid excuse is provided.
- The BRC resolutions require a majority vote of the members who are present or represented. In case of a tie, the Chairperson and in case of his/her absence the Vice Chairperson of the Committee has the casting vote.

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<sup>2</sup> Each member of the Committee may validly represent only one of the other Committee members. Representation in the Committee may not be entrusted to persons other than the members thereof.

- Decisions may be taken through the drawing up and signing of minutes by circulation, by all BRC members or their representatives, which is equal to a decision of the Committee, even if no meeting has preceded.
- The meeting agenda will be prepared by the Chairperson of the BRC and distributed to the BRC members. The agenda together with the relevant material shall be sent to the BRC members, by written notice at least five (5) business days prior to the meetings normally intended for the physical attendance of the members (quarterly meetings) and at least (5) calendar days prior to any other meeting.
- The Chief Risk Officer (“CRO”) has a key reporting role to the BRC and is a permanent attendee in the BRC meetings. The CRO’s performance assessment is conducted annually by the BRC members.
- The BRC appoints its Secretary, who reports to the Group Company Secretariat and cooperates with the Chairperson of the Committee and the CRO. The Secretary is responsible to minute the proceedings and resolutions of all BRC meetings, including the names of those present and in attendance and the action plans and follow ups for assignments, as well as for issuance of true copies / extracts. In case of non-unanimous decisions, the views of the minority should be also minuted.
- The minutes shall be submitted (to the extent possible) at the next meeting. Additionally, after their finalization, the minutes shall be signed by all Committee members in attendance.
- Once approved, minutes shall be available to all BoD members through the software application of the BRC’s meetings support (Diligent Boards).

## **6. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the BRC are described below:

### **6.1 Risk Strategy and Appetite**

1. To ensure that the Group has a well-defined risk strategy and risk appetite in line with its business plan, and that the risk appetite is articulated via a set of quantitative and qualitative statements for all material risks. To this end, the BRC reviews, challenges and approves at least on an annual basis, and recommends to the BoD for approval: a) the Risk Appetite Statements (RAS) document, b) the RIMA Report, c) the RAF and d) the RIMA Framework
2. To ensure that the risk appetite is clearly communicated throughout the Group and forms the basis on which risk policies and risk limits are established in the Group.
3. To assess compliance with the approved Risk Appetite Statements and the risk limits, as well as the capital adequacy in relation to the risks undertaken by the Group.
4. In case of any deviation from the approved risk strategy and risk appetite, propose to the BoD corrective actions.

5. To ensure adequate monitoring of the strategy implementation and effective oversight of the Group's risk profile.

## **6.2 Capital and Liquidity**

1. To maintain a sound and effective overall architecture for the implementation of the Group Internal Capital Adequacy Assessment Process ("ICAAP") and the Group Internal Liquidity Adequacy Assessment Process ("ILAAP"), ensuring that the ICAAP and the ILAAP are integral parts of the Group's overall management framework. To this end, the BRC ensures that the Group implements, at least on an annual basis, the ICAAP and the ILAAP, in compliance with the regulatory requirements and guidelines.
2. To review and approve the key elements of the Group's ICAAP and ILAAP including the governance framework, the Risk Identification and Materiality Assessment (RIMA) report, the methodologies employed, the high-level assumptions and parameters, as well as the outcomes of the Group's ICAAP and ILAAP. To this end, to assess, approve and recommend to the BoD for approval the Group Capital and Liquidity Adequacy Statements.
3. To ensure that appropriate stress tests are performed with respect to the risks in scope of the stress testing programme.

## **6.3 Risk Monitoring**

1. To ensure adequate and appropriate supervision, monitoring and control of all material risks and material exposures of the Group.

## **6.4 Risk Policies and other documents**

1. To determine the principles which govern risk management across the Holdings and the Group in terms of the identification, measurement, monitoring, control, and mitigation of risks.
2. To review, approve and propose to the BoD for approval:
  - a. the Consolidated Pillar 3 disclosures policy and
  - b. the Group Recovery Plan and the Group Recovery Playbook.
3. To ensure adherence to Holding's policies for the management of operational risk (i.e. legal and compliance risk, conduct risk, ICT & Security (including cyber risk), internal and external fraud etc.).

## **6.5 Risk Management Framework**

1. To ensure that the Group has the appropriate risk governance, frameworks, methodologies, modeling tools, data sources, IT systems and competent staff to assess the impacts of material risks, financial and non-financial, under various scenarios, including adverse cases.
2. To ensure high focus, provide oversight and oversee the implementation of strategies for managing and containing the universe of "Non-Financial Risks" that can collectively/individually have significantly large downside impact. To ascertain that there is appropriate risk-



taking/management framework for the Board to build a forward-looking perspective of the Group's top Non-Financial risks, and provides assurance/tracking of the adequacy of the overall control system to keep the Group within its agreed risk-tolerance thresholds.

4. To ensure that the Holding updates, at least on an annual basis, the Group Recovery Plan in compliance with the regulatory requirements and guidelines.
5. To ensure that there is adequate focus on operational risk and that there are appropriate oversight mechanisms and controls for the monitoring of effective management of operational risk.
6. To oversee the alignment of the annual Business Plan with the articulated Risk Appetite of the Group.
7. To receive and review reports, as and when appropriate, from Internal Audit regarding the results of audits in risk management related areas.
8. To approve the GCRO's annual report (prepared in accordance with relevant requirements of BoG Governor's Act 2577/2006).
9. To review the Committee's annual plan, referring to the annual schedule of the Committee's meetings and the allocation of the main agenda items to each meeting.

## **6.6 Additional duties and responsibilities**

Further to what has been specifically stipulated above, in any case, the BRC is competent to:

- review the Committee's annual plan, referring to the annual schedule of the Committee's meetings and the allocation of the main agenda items to each meeting;
- develop proposals, for consideration by the BoD, regarding any matter within the purview of this ToR;
- perform any other activities within the purview of this ToR, at the request of the BoD or as required by the Hellenic Corporate Governance Code;
- oversee issues within its purview in the overall context of maintaining a sustainable business model for the Entity;
- provide, when appropriate, adequate information to the General Assembly regarding its activities; and
- be kept up to date and fully informed about strategic issues and commercial changes affecting the Entity and the market in which it operates.
- to ensure that the Entity has in place appropriate accountabilities at the Executive level for the day-to-day management of respective risks and the provision of all necessary feedback required by the BRC for the effective discharge of its duties.

## **6.7 Reporting**

The Chairperson, and in case of his/her absence the Vice Chairperson, updates the BoD members on the material matters covered by the Committee during the previous period at the next BoD.

In performing its duties, the Committee shall, to the extent possible and on an ongoing basis, take into account the need to ensure that the BoD's decision making is not dominated by any one individual or



small group of individuals in a manner that is detrimental to the interests of the Entity. In any case, the Committee should take into consideration the legal and regulatory framework.

## 7. PERFORMANCE EVALUATION

The BRC's performance is evaluated annually according to the provisions of the BoD and the Board Committees Evaluation Policy of the Entity. In order to perform their role effectively, the BRC members need to maintain and develop their skills and knowledge.

## 8. AMENDMENTS TABLE

Version	Date	Change Description
1.0	31.03.2022	Establishment of the BRC / Initial Version
2.0	28.03.2024	<ul style="list-style-type: none"> <li>- Review of the RFA provisions referring to BRC and amendments as required</li> <li>- Amendments for the improvement of BRC's governance and functioning (including clause for BRC ToR revision, quorum in meetings, reference to the joint AC/BRC meetings)</li> <li>- Amendments proposed by the Risk Units in order to accurately reflect BRC's responsibilities in their area</li> </ul>

## 9. Table of Creation, Issuance and Approvals

Unit	Authorized Personnel	Date
<b><u>Created by:</u> Group Company Secretariat</b>		15.03.2024
<b><u>Reviewed by:</u> GCRO</b>		15.03.2024
<b><u>Recommended for approval by:</u> BRC</b>		27.03.2024
<b><u>Approved by:</u> Board of Directors</b>		28.03.2024