
Relationship Framework Agreement

between the HFSF and [·] BANK

[·] 2015

THIS RELATIONSHIP FRAMEWORK AGREEMENT is dated [·] and entered between the following parties (“**Parties**”):

1. **Hellenic Financial Stability Fund** (the “**HFSF**”), a private law legal entity incorporated under the Law 3864/2010 (FEK A 119/2010), with its registered seat at 10, E. Venizelos Avenue, 10671 Athens, represented by Mr. Aristides Xenofos, Chief Executive Officer, and Mr. George Koutsos, Deputy Chief Executive Officer (the “**HFSF**”).
2. [·] **S.A.**, a banking institution incorporated and operating under the laws of Greece, with registered seat at [·], [·] street, Athens, represented by Mr. [·] (the “**Bank**”).

Preamble

a) The Parties have entered into a Relationship Framework Agreement dated [·] (the initial RFA) pursuant to the receipt of capital support by the HFSF as per the Pre-Subscription Agreement dated [·].2012, amended in [·].2012/and [·].2013 and the share capital increase decided by the Extraordinary General Meeting of Shareholders (EGM) of [·].2013, of a total amount of € [·], in exchange of which HFSF acquired common shares representing [·] % of the share capital of the Bank with full/restricted voting rights in accordance with article 7a of L. 3864/2010.

b) Further to a share capital increase decided by EGM of [·].2014, the HFSF retained common shares with restricted voting rights representing [·]% of the share capital of the Bank.

c) Further to a share capital increase decided by EGM of [·].2015, the HFSF has agreed to inject capital of € [·] and receive in exchange common shares with full voting rights representing [·]% of the share capital of the Bank and contingent convertible bonds (CoCos) equal to an amount of € [·]. HFSF retains also common shares with restricted voting rights corresponding to [·] % of the share capital of the Bank.

OR

c) Further to a share capital increase decided by EGM of [·].2015, the HFSF retains common shares with restricted voting rights representing [·]% of the share capital of the Bank.

d) The HFSF’s objective according to its constitutional law 3864/2010, as in force today, is to contribute to the maintenance of the stability of the Greek Banking system, for the sake of public interest. The HFSF shall comply with the obligations arising from or in connection with the Financial Facility Agreement (FFA) signed on 19.8.2015 by and between the European Stability Mechanism (ESM), the Hellenic Republic (HR), the Bank of Greece (BoG) and the HFSF shall act in line with the obligations assumed according to the Memorandum of Understanding signed between the ESM, on behalf of the European Commission (EC), the HR and the BoG, has assumed certain obligations. The compliance with these obligations on behalf of the HFSF are critical for the granting of the financial assistance to HR. The financial assistance to be provided to the HR under the FFA, a substantial part of which will be used for recapitalization purposes, shall be dependent upon compliance by the HR and the HFSF with the measures set out in the MoU.

In pursuing its objective, the HFSF should, among others, (i) monitor and assess how credit institutions, to which capital support is provided by the HFSF, comply with their restructuring plans, (ii) exercise its shareholding rights in compliance with the rules of prudent management of its assets and in compliance with State aid and Competition rules of the European Union, (iii) ensure that the Bank operates on market terms, and (iv) that in due time the Bank returns to private ownership in an open and transparent manner.

e) In view of the substantial amount of capital injected to the Bank and in order for the HFSF to fulfill its objectives under L. 3864/2010, exercise its rights and obligations and comply with the commitments undertaken through the FFA and the MoU, the HFSF and the Bank enter into the present Agreement (Agreement) amending the initial RFA. Signing of the present Agreement has been approved by the Bank's Board of Directors (BoD) at its meeting of [·].

IT IS NOW THEREFORE AGREED as follows:

1. Interpretation

1.1 Definitions

The following capitalized terms used in this Agreement and not otherwise defined shall have the meaning indicated below:

Agreement means this Relationship Framework Agreement.

Articles of Association means the articles of association of the Bank, as each time applicable, including any amendments thereto.

Bank's Executive Committee means the Executive Committee which is established according to the Bank's Articles of Association and/or other Bank's internal documents.

Bank means [·].

Bank Group means the Bank and the entities that are fully consolidated in the Bank's financial statements.

Board means the Board of Directors of the Bank.

CEO means the Chief Executive Officer of the Bank.

CFO means the Chief Financial Officer of the Bank.

CRO means the Chief Risk Officer of the Bank.

Charter Documents means the Articles of Association, the Bank's Internal Regulation and the Bank's Corporate Governance Code.

Contractual Obligations means any rights, obligations and commitments derived from the FFA and the MoU.

CoCos mean the Contingent Convertible Instruments issued in accordance with Cabinet Act 36/2015

Committees shall mean any Bank committee that does not comprise solely of executive members and in any case the following Bank's Board committees: audit, risk, remuneration, nomination and strategy committee.

Confidential Information has the meaning given to this term in Clause 10.2.

Connected Borrowers shall mean those defined as such in paragraph 13, including any further clarifications provided on the basis of paragraph 13, of the Commitments on Corporate Governance and Commercial Operations undertaken by the Hellenic Republic and incorporated by the Bank through the Monitoring Trustee Mandate.

Consent Request means the request submitted by the Bank for the HFSF's approval according to the process described in Clause 3.5.

Disposal means a sale, transfer, concession, assignment, grant, license, declaration of trust or other disposal of title, whether voluntary or involuntary and dispose will be construed accordingly.

General Assembly means any ordinary or extraordinary general assembly of shareholders of the Bank.

HFSF means the Hellenic Financial Stability Fund.

HFSF Law and/or **the Law** means L. 3864/2010 as amended and currently in force, including any acts and decisions issued in accordance with the L. 3864/2010, including amendments thereof.

HFSF Representative means the member of the Board and its Committees appointed by the HFSF in accordance with Clause 3.3(a) who shall be non-executive full member of the Board within the meaning of law 2190/1920.

HFSF Observer means the Portfolio Manager, in his/her capacity as observer at the Bank's Committees and the Bank's Board as per Clause 3.3. and 3.4.

HFSF Portfolio Manager means an employee of the HFSF who will be the contact person with the Bank and explicitly charged with the monitoring of the Bank. This employee will be "ring fenced" within the HFSF, so as to protect information barriers.

Financial Facility Agreement (FFA) means the agreement signed on 19.8.2015 by and between the European Stability Mechanism (ESM), the Hellenic Republic (HR), the Bank of Greece (BoG) and the HFSF, draft of which has been ratified by law 4336/2015 (A' 94).

Indebtedness means any obligation (whether incurred as principal or as surety and whether present or future, actual or contingent) for the payment or repayment of money.

In writing or written shall mean by letter or fax or email.

KPI means Key Performance Indicator which refers to metrics, conditions or actions to be monitored and reported to the HFSF.

Law or legislation shall mean any Greek, European or international law, rule, regulation, convention, directive, legislative decree, presidential decree, ministerial decision, guideline, memorandum of any legislative, governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization, including acts of the ministerial council, Acts of the Governor of the Bank of Greece, decisions of the European Committee, as well as any other act of any legislative, regulatory, administrative body, as amended and each time in force, which is applicable to the Bank.

Material Litigations means any litigation in which the Bank is involved and shall be defined as material in accordance with Clause 7 of this Agreement.

Material Obligations has the meaning given to this term in Clause 5.2.

Material Matters has the meaning given to this term in Clause 3.5

Memorandum of Understanding (MoU) means the memorandum signed on 19.8.2015 between the ESM, on behalf of the European Commission (EC), the HR and the BoG, draft of which has been ratified by law 4336/2015 (A' 94), as this memorandum will be updated and revised from time to time.

NPLs means Non-Performing Loans

NPEs means Non-Performing Exposures according to Bank of Greece Act 42/30.5.14 as currently in force.

Parties means the HFSF and the Bank.

Proceedings means any litigation or other legal proceedings, including arbitration or other forms of alternative dispute resolution procedure, insolvency processes, administrative request for resolution of dispute before competent authorities.

Relevant Information has the meaning given to this term in Clause 3.5 (b)

Restructuring Plan means the Bank's restructuring plan of Art. 6 of L. 3864/2010 for the Bank Group, as each time amended, extended or revised with the HFSF's consent in accordance with Art. 6 par. 3 of L. 3864/2010 and Clause 3.5 of this Agreement and as approved by the European Commission.

1.2 Construction

In this Agreement a reference to:

- a) An amendment includes a supplement, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and amended will be construed accordingly;

- b) An authorisation includes an authorisation, consent, approval, resolution, permit, license, exemption, filing, registration or notarisation;
- c) A person includes any individual, firm, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity having separate legal personality;
- d) A law or a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- e) A party to this Agreement or any other person includes its successors in title;
- f) If there is any conflict between the terms of this Agreement and the Charter Documents, this Agreement will prevail between the Parties.

1.3 Override

Unless expressly stated otherwise in this Agreement, this Agreement overrides all prior agreements between the Parties hereto in respect of the matters agreed herein and replaces the initial Relationship Framework Agreement.

2. General Principles of Relationship

2.1 This Agreement reflects the Contractual Obligations and in it determines in particular the relationship between the Bank and the HFSF and the matters related with, amongst others, (a) the corporate governance of the Bank, (b) the Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Bank's NPL management framework and of the Bank's performance on NPL resolution. In addition to that, this Agreement deals with (d) the Material Obligations and the switch to full voting rights, (e) the monitoring of Bank's actual risk profile against the approved Risk and Capital Strategy (f) the HFSF's consent for Material Matters, (g) Material Litigation and Proceedings concerning the Bank, and (h) the duties, rights and obligations of HFSF's Representative in the Board.

2.2 Subject to this Agreement, the applicable Law, the Contractual Obligations and the Charter Documents, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy in compliance with the Restructuring Plan and the decisions on the day-to-day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary powers and responsibilities.

2.3 The Bank shall furnish the HFSF as per par. 8.2, with all information and data concerning the Bank Group and related matters that the HFSF reasonably deems necessary in order to safeguard its assets, monitor the Bank's implementation of the Restructuring Plan and to exercise its statutory rights and obligations, as well as the Contractual Obligations. The data must be submitted in a way which ensures both security and processing, according to the standards and specifications that will be agreed between HFSF and the Bank.

2.4 The HFSF shall:

- a) Ensure that there is no cross-directorship or transfer of sensitive commercial not publicly available information, regarding the Bank by the HFSF, to any other credit institution in which the HFSF has a stake.
- b) Manage and maintain its interest in the Bank separately from the management of its interests in other credit institutions and shall not privilege the interests of any bank.
- c) Not exercise its rights in the Bank and any other rights held in any other credit institution in a manner which would aim at prevention, restriction, distortion of competition or an abuse of dominant position.
- d) Ensure that, in exercising their rights, the HFSF and the HFSF Representative and HFSF Observer shall respect the Bank's business autonomy and independence in the decision making of the Bank in

compliance with the Restructuring Plan and act according to the terms of the Law and this Agreement.

- 2.5 The rights provided to the HFSF by this Relationship Framework Agreement are supplemental to any other rights provided to the HFSF by applicable Law, such as the HFSF Law and L. 2190/1920, as well as the Contractual Obligations.
- 2.6 This Agreement will be reviewed whenever deemed necessary by the HFSF.
- 2.7 The Bank will provide to the HFSF on an annual basis, ten (10) days before the Annual General Meeting, a certificate of compliance issued by the CEO verifying the compliance of the Bank Group with this Agreement or explaining any deviations and plans to address them.

3.1 General

- a) The Bank shall at each time adopt and apply a corporate governance structure that ensures the implementation of this Agreement, compliant at any time with the requirements of the Law, the Contractual Obligations and the Restructuring Plan. The Bank should adopt and abide to the requirements of Appendix I, “Corporate Governance Principles for Supported Credit Institutions” as this appendix has been reviewed and attached thereto as Appendix I no later than three (3) months from signing of this Agreement. Non-compliance may be justified (“comply” or “explain” concept) in particular circumstances if equivalent governance can be achieved by other means. A condition of non-compliance is that the reasons for it should be explained to the HFSF and the HFSF should give its explicit consent to such non-compliance.
- b) The Bank provides to the HFSF the documents included in Appendices II & III in order to ensure the effective monitoring of the implementation of the Restructuring Plan and the NPL management framework, to effectively allow the HFSF to perform its statutory role.
- c) If the Bank has engaged, prior to the signing of this Agreement, an external audit firm for more than five years, the Bank should replace the audit firm. The new engagement contracts should not exceed five years. As of the financial year of 2016 the Bank shall rotate its statutory audit firm after five consecutive years at a maximum.

3.2 General Assembly

- a) Whenever the HFSF participates in the share capital increase of the Bank and, according to article 7 paragraph 2 of L. 3864/2010 as in force today, provides capital support through the issuance of common shares, these common shares have full voting rights. In addition to that, and according to article 7A paragraph 7 of L. 3864/2010, in case that the preference shares issued under article 1 of law 3723/2008 (A’ 250) are converted in common shares, such shares will also have full voting rights. From the time of their conversion, the rights of exercising voting rights are transferred ipso jure to the HFSF.
- b) Furthermore, the HFSF is a shareholder with restricted voting rights with respect to the capital support provided to the Bank as described in sections (a) and (b) of the Preamble of this Agreement and the common shares it has acquired accordingly. For these common shares the HFSF as a shareholder with restricted voting rights, exercises its full voting rights in the General Assembly in accordance with the HFSF Law for decisions related to amendments of the Articles of Association, including capital increase or reduction or providing proxy powers to the Board to that effect, merger, division, conversion, revival, extension of duration or dissolution of the company, material asset transfers, including sales of subsidiaries, or any other matters requiring an increased majority provided in L. 2190/1920 or the Bank’s Articles of Association as each time in force, as well as for any other decisions as each time provided by Law.
- c) In any of the above cases (a) and (b) and at least three (3) days prior to the Board that convenes a General Assembly, the Bank shall send to the HFSF respectively the draft agenda, the approved annual financial statements, if relevant, and the respective reports of the Board and auditors or any supporting document and information available to the Bank’s shareholders, necessary for the HFSF to be prepared

and exercise its voting rights in the General Assembly. The HFSF may request clarifications or further information. The Bank will provide in writing any such clarifications or further information requested by the HFSF prior to the Board meeting.

d) This clause is supplemental to any right of the HFSF as shareholder in accordance with the HFSF Law, L. 2190/1920 and the Law in general.

3.3 The Board

a) The HFSF will request the appointment of the HFSF Representative in the Board of the Bank by a simple written notice addressed to the Chairman of the Board. The Board shall immediately approve his/her appointment and take all necessary actions according to its Articles of Association and law 2190/1920 for the completion of this appointment, including the required notification to the General Assembly. In case such appointment exceeds the number of elected Board members by the General Assembly or goes beyond the maximum number of members which, according to the Articles of Association of the Bank, may be elected in its Board, the Bank should immediately convene an extraordinary General Assembly for the election of the new member in the Board and proceed, if necessary, with a relevant amendment in its Articles of Association for the increase of Board members in the Board.

An HFSF Observer will be appointed as observer in the Board of the Bank subject to executing a Confidentiality Agreement. The HFSF will appoint the HFSF Observer or replace him when appropriate by a simple written request in writing addressed to the Chairman of the Board. The appointment of HFSF Observer is completed immediately from the receipt by the Bank of the HFSF's written request and no further procedures are required.

b) The Board:

- i. Is responsible for the prudent management of the Bank and for delivering the objectives in the agreed Restructuring Plan and for taking any action necessary to that effect; see also Appendix I par. 2.2.
- ii. Is responsible to the HFSF for monitoring and ensuring full compliance with this Relationship Framework Agreement by the relevant bodies, officers and employees of the Bank and for taking all the necessary measures for the enforceability of the HFSF rights.
- iii. Oversees 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.
- iv. Shall take all corporate or other actions to ensure that this Agreement is implemented by the Bank, including any amendments required to the Bank's Corporate Governance Code and the convocation of the General Assembly for any necessary amendments to the Articles of Association.
- v. Shall inform the HFSF Representative and HFSF Observer on the activities and decisions of the Board and to that end it shall notify to the HFSF Representative and HFSF Observer the dates of the Board meetings. Such notification should be sent by written notice at least three (3) business days prior to the Board meeting and shall include at least the following: (i) the agenda of the meeting, and (ii) the relevant material, data or information and all supporting documents with respect to the items of the agenda. Without reservation of his/her rights as per Clause 3.3.f.(iv) of this Agreement, if such notification accompanied with all the above items (i) – (ii) are not sent in time and unless an emergency case unforeseeable by the Bank exists, the HFSF Representative will be entitled to request in writing addressed to the Chairman of the Board, a postponement of the Board meeting which shall be resumed the earliest after three (3) business days, provided that the aforementioned documents are provided on time. Should an item in the agenda also fall under Clause 3.5 request for consent process, the Bank should not submit it for approval to the Board before HFSF consent is granted, unless

otherwise agreed between the Parties. For urgent matters, the Board may approve matters subject to subsequent HFSF consent.

- vi. The Board shall submit to the HFSF Representative the decisions and minutes of the Board meetings as soon as finalized but not later than two (2) business days after the next Board meeting.
- c) The Board should conduct a self-assessment exercise on an annual basis not only as a whole, as per current legislation but also for each of its Committees. The results of this evaluation should be disclosed in the Annual Report on Corporate Governance. The HFSF is entitled to review the self-assessment for the purpose of identifying weaknesses and improving working methods and effectiveness. Regardless of the above self-assessment, the HFSF will perform its own evaluation of the corporate governance arrangements and of the Board and its Committees, through independent consultants of international reputation and established experience and expertise, in accordance with the art. 10 of L. 3864/2010 as amended and in force today. This review will be in line with prudent international practices by applying criteria that go beyond supervisory fit and proper requirements. In the case that a review or evaluation determines that the subject of the review does not meet the relevant criteria, the Fund will follow the procedure described in par. 9 of art. 10 of L. 3864/2010, as amended and in force today.
- d) Further to Appendix I and current legislation, the Board should:
- i. Approve and monitor on a quarterly basis the annual budget. The approval of the budget of a specific year should take place the latest by 31/12 of the previous year.
 - ii. Approve a 3 year business plan by the end of 2015.
 - iii. Approve the risk and capital strategy and regularly monitor (at least on a quarterly basis) that the CEO and the Executive Committee pursue its implementation effectively.
 - iv. Approve the following policies and amendments thereof:
 - The Bank Group Strategy, Policy and Governance regarding the management of its Arrears and Non-Performing Loans
 - Conflict of Interest policy
 - Related party transactions policy
 - Provisioning & write off policy
 - Sponsorship/donation policy
 - Outsourcing policy
 - Board/Committees self-assessment policy
 - v. Approve the organizational chart of the Bank and any amendments.
 - vi. Approve on & off balance sheet credit transactions including restructuring and write-offs with related parties according to BoG Governor's Act 2651/2012 and IAS 24 which are equal or exceed:
 - €1 million for individuals,
 - €10 million for legal entities &
 - €100 million for subsidiaries
 - BoD approval is not required for transactions between the Bank and its fully owned subsidiaries and for transactions that do not exceed the above thresholds. BoD shall be informed for these transactions at its subsequent meeting.

- e) The HFSF's Representative in the Board has the following veto rights:
- i. Regarding the distribution of dividends and the remuneration policy concerning the Chairman, the Managing Director and the other members of the Board, as well as the general managers and their deputies as provided by HFSF Law.
 - ii. Where the decision in question could jeopardize the interests of depositors, or seriously impair the credit institution's liquidity or solvency or its overall sound and smooth operation (e.g. business strategy, asset/liability management, etc.) as provided by the HFSF Law.
 - iii. Where the decision is related to corporate actions of par. 3 of article 7a of the Law which might substantially influence the HFSF's participation at the share capital of the credit institution.
 - iv. Where the decision is related to any other veto right each time provided by the Law to the HFSF.
- f) The HFSF's Representative in the Board has the following rights:
- i. To request the Board to convoke the General Assembly of Shareholders or to include items on the agenda to be discussed at a General Assembly to be convoked by the Board. The request regarding the convocation of the General Assembly shall be addressed to the Chairman of the Board in writing and shall include the proposed items on the agenda. The Board shall have the obligation to convoke the General Assembly upon respective request of the HFSF Representative. Furthermore, the Board shall have the obligation to include the proposed items in the respective invitation for the convocation of the General Assembly.
 - ii. To request that the Board is convened within the next seven (7) calendar days from the HFSF's Representative written request to the Chairman of the Board. The relevant request shall be addressed to the Chairman of the Board in writing and include the proposed items on the agenda. If the Chairman of the Board does not proceed to the convocation of the Board within the above deadline or does not include all the proposed items in the invitation, then the HFSF Representative shall be entitled to convoke the Board within five (5) days as of the expiry of the above seven (7) days period. Such invitation shall be notified to all the members of the Board.
 - iii. To include items in the agenda of a scheduled Board meeting, including any item which may be related to any entity of the Bank Group. For this purpose, HFSF Representative will submit in writing to the Chairman of the Board the desired additional items on the agenda at least two (2) business days prior to the date of the Board meeting. The Chairman of the Board must include these items in the agenda of the scheduled Board meeting.
 - iv. To request an adjournment of any meeting of the Board or the discussion of any item up to three (3) business days, if it finds that the material, data or information and the supporting documents submitted to the HFSF pursuant to the items of the agenda of the forthcoming Board meeting are not sufficient.
 - v. To approve the Bank's CFO.
- g) The participation or attendance of the HFSF Representative in the Board or Committees which retain an independent power of decision, does not reduce, nor otherwise impair the responsibility of the Board.
- h) The HFSF shall have free access to the credit institution's books and records for the purposes of the HFSF Law with employees and/or consultants of HFSF's 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.

3.4 The Committees

- a) The HFSF Representative shall be appointed as member in all Committees (including Strategy Committee as applicable). An HFSF Observer will be appointed in all Committees. The HFSF will appoint the HFSF Representative and the Observer or replace them when appropriate by a simple written request addressed to the Chairman of the Board. The appointment of HFSF Representative and Observer is completed immediately from the receipt by the Bank of the HFSF's written request and no further procedures are required.
- b) The HFSF Observer in the Committees shall act as an observer and will have no voting right.
- c) The Bank shall inform the HFSF Representative and HFSF Observer on the activities and decisions of the Committees in which they participate and to that end it shall notify in writing the dates of the Committees meetings and the agendas of the meetings. The agendas together with the relevant materials should be sent to the HFSF Representative and HFSF Observer by written notice at least five (5) calendar days prior to the meetings. The Bank shall submit to the HFSF Representative the decisions and minutes of the Committees' meetings as soon as finalized but not later than ten (10) calendar days after the meeting.
- d) The HFSF Representative will have the right:
 - i. To include items in the agenda of a scheduled Committee meeting. For this purpose, the HFSF Representative will submit in writing to the Chairman of the Committee the proposed additional items of the agenda at least one (1) day prior to the date of the Committee meeting.
 - ii. To request that the Committee is convened within the next seven (7) calendar days from the HFSF Representative' written request to the Chairman of the Committee. The relevant request shall include the proposed items of the agenda. If the Chairman of the Committee does not proceed to the convocation of the Committee within the above deadline or does not include all the proposed items in the invitation, then the HFSF Representative shall be entitled to convoke the Committee within five (5) days as of the expiry of the above seven (7) days period. Such invitation shall be notified to all the members of the Committee and to the HFSF Observer.

3.5 Material matters subject to HFSF's consent

- a) The Bank must receive according to the process described in Clause 3.5(b) of this Agreement the prior written consent of the HFSF for the matters defined below ("Material Matters"). In case of transactions, the consent of the HFSF must be sought before the closing of the transaction.
 - i. The Restructuring Plan, including any amendment, extension or revision of the Restructuring Plan or corrective actions or material matters thereof.
 - ii. The Bank Group Risk and Capital strategy document(s) especially the risk appetite statements and risk governance and any amendment, extension, revision or deviation thereof.
 - iii. The Bank Group policy governing relations of the Bank Group with Connected Borrowers and any amendment, extension, revision or deviation thereof.
 - iv. The Bank Group Remuneration and Benefits Policy(ies) and any amendment, extension, revision or deviation thereof, or decisions/policies affecting the above Policy(ies), including any voluntary retirement/separation schemes. The above policies should include salary bands for high level executives of the Bank and its subsidiaries.
 - v. The Bank Group Investment/Divestment Policy regarding participations, real estate and loan portfolios and any amendment, extension, revision or deviation thereof.
 - vi. The Bank Group Strategy, Policy and Governance regarding the management of its Arrears and Non-Performing Loans and any amendment, extension, revision or deviation thereof.

- vii. The Bank's recruitment policy for the selection and appointment of the Board members and any amendment, extension or deviation thereof.
- viii. To the extent such are not included in the "Exceptions" that are listed in item (ix):
 1. Any Bank Group acquisitions, disposals, investments and asset transfers, including sale of subsidiaries and excluding loan portfolios, where the book value or the fair value (if applicable) or the transaction value exceeds €50 million.
 2. Any Bank Group derivatives transaction where credit equivalent exposure (as defined by capital adequacy regulation adopted by the Bank after regulatory approval) exceeds €100 million.
 3. Any Bank Group transaction in structured products where the transaction value exceeds €50 million.
 4. Any Bank Group loan portfolio disposal or loan securitization transaction, the total gross value of which exceeds €200 million.
 5. Any Bank Group issuance of equity dilutive instruments.
 6. Any Bank Group mergers, capital decreases or increases, including those to be resolved by the Board, should such power exists in the articles of association of the Bank Group or by GSM decision. Especially with regards to the case of capital increases or decreases the prior consent of the HFSF is required in case these are not explicitly prescribed in the approved Restructuring Plan and the amount exceeds €50 million.
 7. Any indebtedness transaction (senior bonds, covered bond) exceeding €1 bn.
 8. Any Liability Management Exercise.
- ix. Exceptions

The following transactions will not be subject to the HFSF's consent:

 1. Origination or restructurings of loans, credits and equivalent transactions (Letters of Guarantee, Letters of Credit etc.) to third parties, that fall within the Bank Group's course of business and comply with bank's policies, risk strategy & appetite statements and limits of all risk types (including AML & KYC, credit counterparty & default risk, market risk, operational risks).
 2. Loans, credits and equivalent intragroup transactions (Letters of Guarantee, capital guarantees provided to subsidiaries etc.). The Bank should submit to the HFSF a quarterly report on all intragroup transactions, including the terms of such transactions.
 3. Transactions in: a) debt securities, b) any financial instrument (e.g. derivatives) for hedging purposes or c) any liquidity management transaction (e.g. repurchase agreements, reverse repurchase agreements, sell and buy-backs, secured lending/borrowings), under the following conditions:
 - they comply with Bank's policies, risk strategy & appetite statements and limits of all risk types (including AML & KYC, credit counterparty & default risk, market risk, operational risks) and
 - they constitute a usual practice for the Bank both in terms of the instrument type used and in terms of the transaction magnitude (and the bank can be in a position to demonstrate this if requested).
 4. Mergers by absorption of 100% subsidiaries.
- x. Any other matter issue, action, decision or event provided by this Agreement, the Law or the Restructuring Plan to be subject to the HFSF's consent.
- xi. Any other item for which the HFSF has a veto right.

- b) For the purpose of obtaining the HFSF's prior written consent as per Clause 3.5(a) of this Agreement, the Bank shall address to the HFSF Portfolio Manager a consent request in writing (the "Consent Request") clearly marked as such and written in English. The Bank shall provide to the HFSF all relevant information and material in the Bank's power or possession at the same time as it submits a Consent Request (the "Relevant Information") also written in English. The Relevant Information to be furnished by the Bank shall be at least the information that is available and used by the Board and/or senior management of the Bank to consider the matter that is the subject of the Consent Request. Any request of the HFSF for further information shall be submitted to the Bank in writing by the HFSF. Exceptionally, the HFSF may require Relevant Information from a third party, such as the Bank of Greece, other State bodies or advisers. The HFSF will notify the Bank when Relevant Information from a third party has been requested and indicate the expected time-frame for receipt of the Relevant Information from the third party.

3.6 Material matters for HFSF's notification

- a) For transactions that do not fall under Clause 3.5., the Bank shall inform the HFSF after signing or closing as the case may be, providing adequate information for the HFSF to comprehend the transaction.
- b) In case of transactions, agreements or important corporate actions, the Bank shall inform the HFSF of its intention to make a public announcement.
- c) The Bank will inform in writing the HFSF as soon as it executes a non-binding agreement /MOU for the sale of (or receives any proposal from third parties for the acquisition of) a subsidiary of the Bank, or part of its business (including any of its assets subject to the definition of Material Matters of Clause 3.5 of this Agreement).
- d) The Bank shall inform the HFSF of any new regulatory (from the ECB, SSM, BoG, HCMC), requirements/requests/communications and the Bank's response, when these are related to the Bank's business/risk/capital strategy or impact directly the interests of the HFSF.

4. Monitoring of the Restructuring Plan's implementation and of the Bank's performance

4.1 The Bank's undertakings

- a) The Board and the CEO are responsible for developing the Restructuring Plan and the NPL resolution strategy and recommending appropriate revisions, which are subject to the HFSF's consent as per Clause 3.5 of this Agreement and Article 6 par. 3 of the HFSF Law. The Board is responsible for ensuring that the necessary financial and human resources are put in place for the Bank Group to implement the agreed Restructuring Plan and the NPL resolution strategy, for setting the tone at the top and ensuring that the Bank Group's obligations to the HFSF are understood and met.
- b) The Board has the responsibility for implementation of Restructuring Plan and the NPL resolution strategy that has been approved by the HFSF. In that context, the HFSF will not interfere in the day-to-day operational and commercial matters, or in taking decisions which are within the ordinary course of the Bank Group's business.
- c) The Bank shall inform the HFSF immediately and in writing of any failure, or anticipated failure to meet the objectives of the Restructuring Plan and of the NPL resolution strategy.
- d) In order to monitor the implementation of the Restructuring Plan and the NPL resolution strategy and its adherence to the commitments undertaken thereto, the Bank shall also provide to the HFSF the information included in Appendix II of this Agreement.
- e) The BoD shall provide and/or shall ensure that the Bank provides any documents requested by HFSF defined in Appendix II & III as well as any information requested by ESM or EFSF either directly to these organizations or to the HFSF as per its Contractual Obligations.

4.2 Monitoring of the Restructuring Plan by the HFSF

- a) The HFSF will monitor the Bank's business performance and risk profile to ensure that the Restructuring Plan objectives and the internal control standards are met.
- b) During the approval of the budget by the Board, in case of adverse deviations vs the Restructuring Plan, the Bank must provide satisfactory to the HFSF explanations for such deviations. For this reason, the budget should disclose sufficient analysis.
- c) The HFSF may approve adverse deviations from the Restructuring Plan, through the HFSF Representative's vote on the annual budget.
- d) The HFSF has the right to perform/order field reviews and ad hoc audits with the participation of experts and/or external auditors appointed by the HFSF, in order to fulfill its contractual obligations under this Agreement and statutory obligations under the HFSF Law.
- e) The HFSF may raise its concerns if it becomes aware of, for instance, actions or omissions or events that endanger the successful implementation of the Restructuring Plan and will require from the Board to take remedial measures in accordance with Clause 4.2(d) and 6 of this Agreement.
- f) In case of any actual or reasonably foreseeable adverse deviations in the Bank Group's performance and risk profile, relative to the base scenario of the Restructuring Plan, or relative to the budget, or with respect to the Risk and Capital Strategy if adverse deviations have already been approved by the HFSF through the approval of the budget (see c above), the Board should promptly submit its recommended corrective strategic actions to the HFSF for its review and consent in accordance with the consent procedure described in Clause 3.5(b) of this Agreement.
- g) Performance against the Restructuring Plan as well as progress on key initiatives undertaken by the bank (e.g. Divestments, Integrations, etc.) will be performed as follows:
 - i. Regular meetings between the Bank's management and the HFSF.
 - ii. A formal monitoring review of performance against the Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget (see c above), will be conducted on a quarterly basis, in line with the Bank's results reporting cycle. For the purpose of the monitoring reviews, the Bank will provide the HFSF with a report on its financial and business performance against the Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget (see c above) quarterly targets, clearly highlighting performance to date vs. restructuring plan targets as well as vs. budget, key initiatives and expected impact for the next 4 quarters rolling and identifying any adverse deviations from the targets and associated corrective measures /initiatives, which must be approved by the HFSF.

4.3 Monitoring of the implementation of the Bank's NPL management framework and of the Bank's performance on NPL resolution by the HFSF

- a) The HFSF will closely monitor the implementation of the Bank's NPL management framework and the Bank's performance on NPL resolution.
- b) The HFSF has the right to perform/order field reviews and ad hoc audits with the participation of experts and or external auditors appointed by the HFSF, in order to fulfill its contractual obligations under this Agreement.
- c) The HFSF may raise its concerns if it becomes aware of, for instance, actions or omissions or events that endanger the successful implementation of the Bank's NPL management framework or meeting NPL resolution operational/performance targets and will require from the Board to take remedial measures in accordance with Clause 4.3(b) and 6 of this Agreement.
- d) In case of any actual or reasonably foreseeable adverse deviations in the Bank Group's performance against NPL resolution operational/performance targets or relative to the implementation of the

Bank's NPL management framework, the Board should promptly submit its recommended corrective strategic actions to the HFSF for its review and consent in accordance with the consent procedure described in Clause 3.5(b) of this Agreement.

- e) Performance against the NPL resolution criteria/targets applied to the Bank, as well as, progress on key initiatives/projects undertaken by the Bank regarding the improvement of its NPL management framework and NPL resolution will be performed as follows:
 - i. Regular meetings between the Bank's management and the HFSF. In this context, the HFSF may request the increase of the frequency and improve the content of the regular meetings currently taking place with the Bank's management as appropriate.
 - ii. Set-up a set of KPIs (see Appendix II) in order to monitor the effectiveness and efficiency of the Bank's NPL management framework and NPL resolution.

4.4 Monitoring and evaluating the performance of the Bank's BoD and its Committees

- a) The HFSF will monitor and evaluate the performance of the Bank's BoD and its Committees in accordance with art. 10 of L. 3864/2010, as amended and in force today, employing, amongst others, the following criteria:
 - i. Restructuring Plan implementation progress.
 - ii. Risk and Capital Strategy implementation progress.
 - iii. Fulfilment of EC DG Comp commitments.
 - iv. Improvement of asset quality (in line to NPL resolution KPIs set by the HFSF & operational targets set by the BoG).
 - v. Compliance with RFA requirements (including Corporate Governance guidelines).
 - vi. Implementation of the recommendations arising from the HFSF's reviews of BoD and its Committees performance.
 - vii. Implementation of the recommendations arising from HFSF's ad-hoc field reviews and audits.
 - viii. Annual Budget implementation progress.

In the event the HFSF observes that the above criteria are not met, it will escalate the issue in a prompt and proportionate way in conformity with the provisions of par. 9 of Article 10 of L. 3864/2010 (as amended by L. 4340/2015).

5. Obligations

5.1 Obligations

The Bank is obliged to conform to the provisions of the entire RFA. In the event the HFSF observes non-compliance, it will escalate the issue in a prompt and proportionate way in conformity with the provisions of par. 9 of Article 10 of L. 3864/2010 (as amended by L. 4340/2015).

5.2 Material Obligations

- a) Material Obligations, as per par. 4 Art.7a of Law 3864/2010 ("**Material Obligations**"), shall consist of:
 - i. All DG Comp Commitments, as in effect.
 - ii. The submission by the Bank of requests for consent, as per par. 3.5, and the compliance of the Bank with the relevant HFSF's decision.
 - iii. The obligation of the Bank to have a clean auditors' report in its annual financial statements.

- iv. The obligation of the Bank to ensure that the Restructuring Plan objectives and the internal control standards are met.
 - v. The obligation of the Bank to ensure that the NPL management framework objectives and NPL resolution operational and performance targets are met.
- b) Should the Bank undertake a share capital increase, the Material Obligations may be revised at the discretion of the HFSF.
 - c) The General Council of the HFSF will assess the fulfillment of Material Obligations on a regular basis and decide whether clause 6 of this Agreement is triggered. Especially regarding item (a.iii) of this Clause, the General Council of the HFSF will decide whether there is a breach or default of the Material Obligations, triggering the provisions of Article 7a of the Law, based on, inter alia, the market conditions and the performance of the peers so as to confirm that the breach or default is due to the performance of the specific bank and is not systemically driven.

6. Switch to Full Voting Rights

6.1 If the Bank breaches or defaults in performing or complying with or fails to perform or comply with any of its Material Obligations, as per clause 5.2, the HFSF shall give to the Bank a default notice specifying such breach, default or failure and, in the case of a breach, default or failure capable of remedy, stipulating a period during which such breach, default or failure shall be remedied.

6.2 Provided that such period is accepted by the HFSF, and if such event is still outstanding after a remedy period has been provided by the HFSF, whenever such period is applicable, and without prejudice to any other rights of the HFSF under the Law and this Agreement, (including, among others, those deriving from Clause 3.2(a) above) the restrictions of the HFSF's voting rights in the General Assembly (with respect to the shares as stated in Clause 3.2 (b) above) shall be lifted and the HFSF shall have full voting rights upon notification to the Bank of the respective decision of the General Council of the HFSF.

7. Material litigation and proceedings

7.1. The Bank will annually provide to the HFSF the Bank's legal counsel's letters addressed to the Bank's statutory auditors describing all pending litigation and Proceedings of the Bank Group. In addition the Bank's chief legal counsel will annually provide the HFSF with a letter identifying the material ones specifying which criterion/ applies on a case by case basis and according to the following criteria:

- a) Any litigation and Proceedings of the Bank Group involving any claim by any third party of a minimum amount €50 million, taking into consideration the chances of success or the substance of such claim according to the Bank's assessment.
- b) Any litigation and Proceedings, law suits, including any penal proceedings and prosecutions related to members of the Board, of the Committees, and senior management staff – up to the level of Deputy General Manager - of the Bank Group in their professional capacity.
- c) Any litigation and Proceedings which, notwithstanding the amount of the claim, may, according to the Bank's assessment, involve an important legal issue that has not been reviewed yet by the courts.
- d) Any litigation and Proceedings which might, at the judgment of the Bank, lead to class action.
- e) Any litigation and Proceedings which might, at the judgment of the Bank, create reputational issues for the Bank Group.

For the purposes of this Agreement any and all of the above would be considered as Material Litigation.

The HFSF is entitled to request further information with regards to the pending cases and may select from all the cases pending those, which according to its absolute discretion, considers Material Litigations.

7.2. Apart from the above, the Bank shall promptly inform the HFSF of any actual or prospective Proceedings by or against the Bank and the Bank Group which in the Bank's opinion may materially affect the Bank.

7.3. The Bank will provide to the HFSF on an annual basis a **certificate of compliance**, signed by its chief legal counsellor or director of legal services as the case might be, verifying the compliance of the Bank and the Bank Group with the reporting obligations of clauses 7.1 and 7.2 of this Agreement.

8. Notices, communications, meetings and Parties representatives

8.1. For the efficient implementation of this Agreement the Bank and the HFSF shall cooperate effectively. The relevant Bank's and the HFSF's officers shall meet periodically and work collaboratively as part of the monitoring process of the Bank's Restructuring Plan in accordance with Clause 2.3 of this Agreement. The HFSF's Executive Board and the Bank's Executive Committee members shall meet at least once per quarter while the Bank's management (including CFO, CRO, Head of Strategy, depending on the items of the agenda) and the HFSF's Directors and Portfolio Manager shall meet at least once per month.

8.2 Except if otherwise provided in this Agreement or communicated in writing by the HFSF to the Bank, and except for all matters and information concerning the participation in the Board or the Committees which shall be communicated to the HFSF Representative, the Portfolio Manager is the contact person for the implementation of this Agreement and all communication between the Parties.

9. Term and termination

This Agreement shall come into effect upon its signing by the Parties and will remain in force for as long as the HFSF holds either shares or CoCos at the Bank, irrespective of the percentage of its holding.

In case HFSF holds common shares less than 15% of the share capital (for this calculation any CoCos held by the HFSF are assumed to be fully converted), only the following clauses of the present Agreement remain in force: 1, 3.1 (c), 3.3, 3.4, 3.5 (a) (ii), 3.5 (a) (vi), 4.2, 4.3, 4.4, 5, 6, 8, 10 and Appendices I & II of this Agreement shall survive until the full divestment by the HFSF.

Upon its signing this Agreement would replace the initial Relationship Framework Agreement which will automatically cease to exist.

10. Miscellaneous

10.1 Consent

Where consent is required by the HFSF, it shall not be deemed to have been given merely by virtue of attendance by the HFSF (through the HFSF's Representative, HFSF Observer, advisors or others) at Board's, Committees' or other meetings and such attendance or consent or refusal of consent does not create any liability for the HFSF acting reasonably in good faith.

Only explicit consent issued by or on behalf of the HFSF in writing shall satisfy the requirement of the Bank to obtain a relevant consent.

10.2 Confidentiality

The Bank and the HFSF shall, and shall cause their directors, officers, employees, agents, representatives, advisors and independent contractors to keep confidential all confidential and proprietary information and all confidential facts relating to the business and affairs of the Bank, as well as sensitive personal data of the Bank's or the HFSF officers (the "**Confidential Information**"), to take all the necessary precautions and to restrict the use of such Confidential Information in any manner that is not within the scope of this Agreement. The foregoing shall not preclude the Bank and the HFSF from disclosing such Confidential Information where such disclosure is required by applicable Law. The HFSF's confidentiality obligation shall not apply vis-à-vis the Bank of Greece, the European Commission and the European Central Bank and the European Stability Mechanism in accordance with Art. 16b par. 9 of the HFSF Law and the Contractual Obligations undertaken by the HFSF and in accordance with the same, the representatives of the European Commission and the European Central Bank and the European Stability Mechanism are bound by the confidentiality commitments

provided for in their respective regulations. The present Clause regarding the obligations undertaken by the Bank and the HFSF to respect and keep the Confidential Information shall survive for a period of three (3) years after the termination for any reason of this Agreement.

10.3 Representation

Each Party warrants that the persons signing on its behalf are duly authorized, empowered and qualified to execute this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary action. This Agreement is valid, binding and enforceable between the Parties.

10.4 Amendments

The HFSF reserves the right to amend this Agreement in order to be in line with the HFSF's obligations under the Contractual Obligations, as in force today and updated from time to time and the Bank declares its compliance with the proposed amendments to the extent required to ensure that any new or varied HFSF's obligations under Contractual Obligations are mirrored in this Agreement.

Any provision of this Agreement may be amended or waived only in writing by authorized signatories of the Parties.

10.5 Waiver

Waiver shall be explicit and in writing and no failure or delay by the HFSF or the Bank in exercising any right, power or privilege hereunder shall operate as waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10.6 Governing Law

This Agreement shall be construed and governed by Greek Law.

10.7 Dispute Resolution

Any dispute, disagreement or difference in relation with the interpretation or the enforcement of this Agreement or the extent of the rights and obligations that derive from it will be settled by arbitration in accordance with the rules of arbitration of the Greek Code of Civil Procedure. For carrying out the arbitration, each party appoints its arbitrator. The two arbitrators appoint the Umpire by a joint decision. In case they disagree, the President of the Supreme Civil Court is defined as Umpire or his substitute in case he is barred, or denies the appointment. In case that the Parties haven't appointed an arbitrator, as well as in any other case, the provisions of the Greek Code of Civil Procedure referring to arbitration, apply.

The arbitration will take place in Athens in the Greek language. The arbitration decision is final and irrevocable and cannot be appealed by any legal means. The contracting parties exclude any right of petition or recourse in general to any court and more specifically for any legal matters during the arbitration procedure and thereafter.

The expenses for any arbitration will be borne by the defeated party and they will be adjudicated by the Arbitration Court, which can also allocate them among the parties depending on the outcome of the trial.

10.8 Entire Agreement

This Agreement and Appendices hereof, constitute the entire agreement between the parties with the respect to the subject matter hereof and replace the initial Relationship Framework Agreement, any prior agreements and oral understandings or commitments regarding this subject-matter.

10.9 Further assurances

The Bank and the HFSF will sign such further documents, cause such meeting to be held, adopt such resolutions, and do and perform and cause to be done such further acts and things as may be necessary in order to give full effect to this Agreement and every provision hereof.

10.10 Titles and Headings

The headings contained in this Agreement are for reference purposes only and will not affect the meaning or interpretation of this Agreement.

10.11 Severability

If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement will not be affected and will remain in full force and effect.

10.12 Counterparts

This Agreement and its relevant Appendices were executed by each party in two originals in the English language, each of which shall constitute an original instrument.

10.13 Appendices

The Appendices of this Agreement shall constitute an integral part hereof and as of the date of this Agreement comprises:

Appendix I: HFSF's Corporate Governance Guidelines for Supported Credit Institutions

Appendix II: List of Bank's Performance Monitoring Reports

Appendix III: Documents to be communicated to the HFSF

10.14 Disclaimer

It is explicitly agreed and understood between the Parties that any other rights provided by the applicable Law as each time in force shall be in addition to the rights provided herein and shall apply in favor of HFSS notwithstanding the provisions set out in this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the Parties on the date hereof.

HELLENIC FINANCIAL STABILITY FUND

Mr. Aristides Xenofos
Athens, [·].2015

Mr. George Koutsos

[·] **Bank S.A.**

Mr. [·]
Athens, [·].2015

Appendix I

HFSF's Corporate Governance Guidelines for Supported Credit Institutions

1. Introduction

- a) The key corporate governance principles presented in this document do not constitute an exhaustive list of corporate governance principles that supported credit institutions should follow. The principles are based on international best practices and do not substitute but rather supplement regulatory and/or legal requirements.
- b) Supported credit institutions should comply fully with the provisions outlined in this document, unless they can justify non-compliance ("comply" or "explain" concept) in particular circumstances and equivalent governance can be achieved by other means. A condition of non-compliance is that the reasons for it should be explained to HFSF and HFSF should give its explicit consent to such non-compliance.
- c) Moreover, supported credit institutions should be in full compliance with the provisions of L. 2190/1920, L. 3016/2002, L. 4261/2014, L. 3864/2010 (as amended by L. 4340/2015) and L. 3606/2007 (if applicable) and all relating Acts issued by the Bank of Greece, as in force, as well as any other legislation provisions regarding corporate governance and internal control as well as capital and organizational requirements.

2. Key corporate governance principles

2.1 Board of Directors (BoD) composition

- a) BoD must comprise of no fewer than 7 and no more than 15 (only odd numbers allowed) members including the Greek's state representative and the HFSF's Representative in the Board.
- b) The Chairman of the BoD should be non-executive and should not serve as Chairman of either the Board's Risk or Audit Committee.
- c) Board members independence criteria should at a minimum follow those in L. 3016/2002 and the recommendation set by EC1 and their future amendments.
- d) The members of the BoD and its Committees should fulfil the criteria set out in par. 7, 8 & 10, of Article 10 of L. 3864/2010 (as amended by L. 4340/2015).
- e) The majority of the Board should comprise of non-executive members. At least 50% (rounded to the nearest integer) and no less than three members of non-executive members (excluding the HFSF and Hellenic Republic Representatives) should be independent. The Board should include at least 2 executive members.
- f) The members of the BoD should have an appropriate mix of financial services or commercial banking experience and sufficient time to adequately oversee the operations of the Bank. Some of the members should have solid financial management, accounting, auditing and risk & capital management experience. BoD members should also have an understanding of the legal and regulatory banking requirements.

2.2 Board Policies, practices and key responsibilities

- a) The Board has the overall responsibility for the Bank, including approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values. The Board must ensure the integrity of the accounting and financial reporting systems,

¹European Commission Recommendation, 2005/162/EC

including financial and operational controls and compliance with the law and relevant standards. The Board is also responsible for providing oversight of the Bank's senior management.

- b) The Board should respect the distinction between the Board's responsibilities for direction setting, oversight and control, and management's responsibilities to run the business, including the distinction of the supervisory authorities of the Chairman of the BoD and the executive authorities of the Chief Executive Officer.
- c) The Board should review and approve the Bank's risk strategy and risk appetite² at least on an annual basis, subsequent to the recommendation and approval from the Board Risk Committee (BRC), and ensure that it is consistent with the Bank's overall business strategy, capital plan, funding plan, restructuring plan and budget.
- d) The Board should challenge the management, discussing all strategic proposals, key risk policies, and major operational issues.
- e) The Board should ensure that rigorous and robust processes are in place to monitor organisational compliance with the agreed strategy and risk appetite and with all applicable laws and regulations.
- f) The Board should receive timely, accurate and sufficiently detailed information 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 credit institutions risk profile vs risk targets and risk appetite.
- g) The Board should review and have approval rights to any strategic decisions, involving mergers & acquisitions or the creation of special purpose vehicles/entities (SPV), following the relevant proposal by the Board Risk Committee.
- h) All new Board members should get proper induction training. Educational and training programs for Board members on areas such as risk management, financial management, accounting, regulatory framework and corporate governance should take place on a regular basis, in order to enhance the Board's oversight capabilities.
- i) Prior to any appointment to the Board, the Chairman and the Nomination Committee (NC) must be satisfied that the nominee has sufficient time to devote to his or her role. Mandatory minimum attendance of BoD members should be achieved (not less than 85% for individual members). Individual meetings (up to 15%) can be missed only if a valid excuse is provided. Board member attendance at BoD and Committee meetings should be disclosed in the annual report on corporate governance.
- j) The names of the Board members who are appointed as the risk and financial/audit experts should be disclosed in the corporate governance declaration.
- k) The views of the minority should be recorded in the Board's minutes in case there is no unanimous decision.
- l) At the beginning of each year, the Board should adopt a calendar of scheduled meetings for the year.
- m) The Board should review and monitor the NPL performance on a monthly basis.

2.3 Board Committees

2.3.1 Board Risk Committee (BRC)

- a) BRC members should not exceed 40% (rounded to the nearest integer) of total BoD members (excluding the HFSF and Hellenic Republic Representatives) with a minimum of 3 members.

²**Risk appetite** is the amount and type of risk (potential loss) with a defined probability of occurrence during a given time period, that a company is able & willing to accept in pursuit of its business objectives. It must not be confused with the **risk capacity** concept, which is the maximum amount of risk a firm is technically able to assume given its capital base, financial resources, liquidity, borrowing capacity & regulatory constraints.

- b) All members should be non-executive and at least one third of the members (excluding the HFSF and Hellenic Republic Representatives and rounded to the nearest integer) of the Board Risk Committee (BRC) should be independent non-executive.
- c) An HFSF Representative to the Bank's BoD should be a member of the BRC.
- d) The Chairman of the BRC should not also serve as the Chairman of the Board's Audit Committee and should be independent non-executive with solid experience in commercial banking and preferably risk and/or NPL management, as well as, be familiar with local and international regulatory framework.
- e) 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.
- f) BRC should meet at least on a monthly basis, have a Charter approved by the BoD and keep appropriate records (minutes).
- g) BRC should ensure that the Bank has a well-defined group risk strategy and risk appetite. The Bank's risk appetite should be articulated via a set of quantitative and qualitative statements for specific risk categories, including liquidity risk and specific tolerance levels (for example, by portfolio, sector, geography, credit rating, etc.). BRC should ensure that the Bank's risk appetite statements are clearly communicated throughout the Bank and forms the basis on which risk policies and risk limits are established at group, business and regional level.
- h) BRC should annually, or more frequently as required, review and recommend to the BoD 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.
- i) BRC should ensure that the Bank has the appropriate methodologies, modelling tools, data sources, IT systems and competent staff to assess (a) the likely change in asset quality under different macroeconomic and market assumptions and (b) the risks that such changes may pose to the financial stability of the institution.
- j) BRC should ensure appropriate oversight mechanisms and controls for the monitoring and effective management of "troubled assets", defined so as to include:
 - Non-performing Exposures (NPEs)
 - Exposures which have been written-off for accounting purposes but for which the Bank still pursues partial or full recovery.
- k) BRC should emphasize the development of appropriate early warning systems so as to identify borrowers reaching the limits of their ability to perform on their obligations. Similarly, the BRC should ensure that the Bank develops, maintains and constantly updates an appropriate range of solutions for the mitigation of delinquencies and the preservation of the value of its loan assets.
- l) BRC should ensure that the Risk Management division develops risk-adjusted performance and pricing measurement tools and methodologies. In addition, BRC through Risk Management Division should oversee their implementation.
- m) The views of the minority should be recorded in the Committee's minutes in case of not unanimous decision.

2.3.2 Audit Committee (AC)

- a) AC members should not exceed 40% (rounded to the nearest integer) of total BoD members (excluding the HFSF and Hellenic Republic Representatives) with a minimum of 3 members.

- b) The Chairman of the AC should not also serve as the Chairman of the Board's Risk Committee and should be independent non-executive with solid experience in financial management, accounting and auditing.
- c) An HFSF Representative to the Bank's BoD should be a member of the AC.
- d) All members of the AC should be non-executive, while 75% (rounded to the nearest integer) of the members (excluding the HFSF and Hellenic Republic Representatives) should be independent non-executive.
- e) The majority of the AC members should have competence in finance, auditing and/or accounting.
- f) The AC committee should have a charter as per the Institute of Internal Auditors (IIA) standards and practices, which is approved by the BoD.
- g) The AC should pre-approve all auditing (internal or external) and non-audit (consulting) services in compliance with related regulations regarding auditor's objectivity and independence (L. 3693/2008 art. 37).
- h) The Bank is required to disclose the approved by the AC, Code of Ethics (including for professionals involved in the drafting of financial statements).
- i) The AC should have the oversight of compliance issues (especially relating to AML quarterly assessment and regulatory reporting, MIFID, Market Abuse, Conflict of interests, Antitrust, Clients/Consumer Protection/Transparency regulation, etc.).
- j) The AC should provide a positive or negative statement that the system of internal controls has been evaluated in the annual corporate governance report.
- k) The AC should ensure periodic tendering of the Bank's statutory auditor in order not to compromise auditor's independence. As of the financial year of 2016 the Bank will be required to rotate its statutory audit firm after five consecutive years at a maximum.
- l) The AC should ensure that the internal audit function has the appropriate skillset and capacity to audit and evaluate the effectiveness of the internal control framework with special emphasis on the areas of risk and capital management, as well as financial control.
- m) The Chief Internal Auditor compensation should be approved by the Audit Committee.
- n) The AC should submit to the Board an annual and three-year Audit plan.
- o) The views of the minority should be recorded in the Committee's minutes in case of not unanimous decision.

2.3.3 Remuneration Committee (RC)

- a) RC members should not exceed 40% (rounded to the nearest integer) of total BoD members (excluding the HFSF and Hellenic Republic Representatives) with a minimum of 3 members.
- b) All members of the RC should be non-executive, while the majority of the members (excluding the HFSF and Hellenic Republic Representatives) including the Chairman should be independent non-executive.
- c) An HFSF Representative to the Bank's BoD should be a member of the RC.
- d) At least one member of the RC should have adequate expertise and professional experience in risk management and audit activities mainly in alignment of remuneration policy with the risk and capital profile of the institution.
- e) The RC is responsible to ensure that the Bank has a clear, well documented and transparent remuneration policy. Disclosure of compliance with L. 3728/2008, L.4261/2014 and Bank of Greece Governor's Act 2650 should also be provided in the declaration of corporate governance.

- f) The remuneration policy should be consistent with the institution's business strategy, risk profile and risk appetite and should not encourage excessive and short term risk taking.
- g) The Bank should ensure that potential incentive compensation structures incorporate risk adjusted performance targets and that a proper balance between short-term and long-term performance is achieved. In this respect, deferral schemes of incentive payments and the inclusion of clawback or malus provisions in the executive compensation contracts should provide an initial protection from excessive risk taking. In the context of such potential incentive packages, the Remuneration Committee should seek advice from the BRC on the risk adjusted performance targets.
- h) The remuneration of internal control functions (e.g. risk management, internal audit, compliance, financial control) personnel should not be linked to the performance of the business units they control.
- i) All Board members and key management remuneration is evaluated against benchmarking data of peers. The RC may seek outside review/validation of the remuneration policy from a well reputed specialized consulting company.
- j) The RC should review and propose to the Board the goals and objectives relevant to the CEO compensation and evaluate the CEO's performance in light of these goals and objectives.
- k) The views of the minority should be recorded in the Committee's minutes in case of not unanimous decision.

2.3.4 Nominations Committee (NC)

- a) NC members should not exceed 40% (rounded to the nearest integer) of total BoD members (excluding the HFSF and Hellenic Republic Representatives) with a minimum of 3 members.
- b) All members of the NC should be non-executive, while the majority of members (excluding the HFSF and Hellenic Republic Representatives) including the Chairman should be independent non-executive.
- c) An HFSF Representative to the Bank's BoD should be a member of the NC.
- d) A detailed BoD nominees' selection criteria policy should be in place and disclosed in the corporate governance report.
- e) Test of independence of BoD members is delegated to the Committee and documented as appropriate.
- f) The NC should have responsibility for Succession Planning for the top executive management of the bank and should ensure that this planning is implemented.
- g) The views of the minority should be recorded in the Committee's minutes in case of not unanimous decision.

2.4 Risk Governance

- a) The Chief Risk Officer (CRO) should be a member of the Executive Committee and should have a dual reporting line to the BRC and the CEO, with direct access to the Chairman of the BRC whenever the CRO deems necessary.
- b) The CRO compensation should be approved by the Remuneration Committee after consultation with the Board's Risk Committee.
- c) The CRO should have sufficient authority, access to the Board, independence from the business units and should not be in charge of any revenue generating activity (including Arrears and NPL management). The CRO or his/her representative should be a member in all major Executive Committees (e.g. ALCO, Credit, Provisioning and Write-offs, Strategy). The CRO or his/her representative should have veto rights to be defined in the risk policies.

- d) The CRO should oversee the implementation of the risk policies. To this end, the Risk Management Division should establish an adequate control mechanism of implementation of risk policies through analytical (statistical) or on-site (field) reviews. In addition, Risk Management Division, through its Credit Control/Review function, should be responsible for the ex-post credit review (e.g. policy & process adherence, risk assessment).
- e) The CRO should approve the credit policy before its submission to the Executive Committee and the BRC for approval and should oversee its implementation. The CRO should also promptly report, amongst others, any deviation from credit policy or potential conflict with the approved risk strategy and risk appetite to the BRC.
- f) The Credit Division (2nd line of defense function – “second signature”) should be independent from the business divisions.
- g) With respect to financial assets & liabilities valuation (incl. for the drafting of financial statements), the Risk Management unit or other independent unit reporting to the CRO should be responsible for:
- Validating the policies, processes and methodologies (e.g. mark-to-market, mark-to-model etc.) employed for their valuation
 - Controlling the appropriateness of the prices used in the valuation process
 - Monitoring the results of the valuation and reporting any policy deviations to the BRC
- h) The CRO should oversee the compliance with the approved risk appetite limits. Any deviations from the risk appetite should be communicated in a timely manner to the BRC.
- i) The CRO is responsible for providing to the BRC, at least on a monthly basis, adequate reporting in order to enable the Committee to properly oversee and advise the BoD on the Bank’s risk exposures/profile and future risk strategy. The time lag in the reporting of the Bank’s risk profile should be as short as feasible but in any case should not surpass 30 calendar days.
- j) The Risk Management Division should also be responsible for the approval, incorporation and the monitoring of risk-adjusted performance and pricing measurement tools as well as of metrics relevant to the decision making process.
- k) The Risk Management Division should have an active and essential engagement in the strategic planning and budgeting processes participating in all relevant committees, assessing the compliance with risk appetite, capital adequacy levels and any downside risks. The CRO should report issues of non-compliance to the BRC promptly.
- l) The CRO should also be responsible for the determination of loan impairment models, including at least the validation of individual impairment assessments (if performed by other units) as well as the validation of portfolio segmentation decisions and all parameters used for collective assessment. Responsibility shall also be undertaken regarding all risk projects related to NPL management (e.g. models, systems, methodologies).
- m) The Risk Management Division should establish and closely monitor the implementation of limits and the adherence to policy governing relations with Connected Borrowers so as to ensure that such transactions are performed on commercial/arm’s length basis. Any overrides to this policy should be reported to the BRC.
- n) The CRO should be responsible for the oversight of capital requirements’ calculations (regulatory and internal) and for the reporting of capital adequacy and relevant risk management reports to the Authorities.

Appendix II

List of Bank's Performance Monitoring Reports

Reports/Documents	Frequency
<p>Business Performance</p> <p>a. Reports on Financial Performance and Business Plan Monitoring – defined by the HFSF</p>	<p><i>As defined by the HFSF</i></p>
<p>Risk Management</p> <p>a. All regular and ad-hoc Risk Management reports submitted to Board Risk and Executive Committees</p> <p>b. Internal Capital Adequacy Assessment Process (ICAAP) Report and respective working files</p> <p>c. Any other BoG/SSM Regulatory report (COREP or FINREP)</p> <p>d. Annual Risk Management Report to BoD</p> <p>e. Risk Strategy implementation & Risk Appetite metrics monitoring report</p> <p>f. Internal Liquidity Adequacy Assessment Process (ILAAP) Report and respective working files</p> <p>g. Arrears and NPLs Management Strategy (ANPLMS) and its periodic amendments</p> <p>h. BoG Act 42/30.05.14 & BoG Act 47/9.2.15 reporting templates both at Group (where provided) & Solo basis, and any future amendments</p> <p>i. Arrears and NPLs Management Body (ANPLMB) Quarterly Reports submitted to the BoD as well as relative Chief Risk Officer's Opinion</p> <p>j. HFSF Template on the Monitoring of Troubled Assets (as defined by the HFSF. A Non-exhaustive list of KPIs/information required is presented at the end of Appendix II.)</p>	<p>a. <i>Upon submission to the relevant Bank's Committees</i></p> <p>b. <i>Upon submission to the BoD for report & upon request for working files</i></p> <p>c. <i>Upon request</i></p> <p>d. <i>Upon submission to the BoD</i></p> <p>e. <i>Quarterly</i></p> <p>f. <i>– i Upon submission to the BoG</i></p> <p>j. <i>Monthly. Submitted 20 calendar days after month's end</i></p>
<p>System of Internal Control</p> <p>a. IA Activity & Findings Follow up Report submitted to Audit Committee</p> <p>b. IA report on the adequacy and efficiency of the System of Internal Controls (BoG Governor's Act 2577, §2.13.2)</p> <p>c. External audit report on the adequacy and efficiency of the System of Internal Controls (BoG Governor's Act 2577, §4.1).</p> <p>d. External auditors' management letter</p> <p>e. Compliance Report (BoG 281/17.03.2009)</p> <p>f. Annual Board of Directors Performance Self-Assessment</p> <p>g. Internal audit reports on compliance with BoG Act 42/30.05.14, & 47/9.2.2015 staff adequacy, independence and suitability of processes of the Arrears and NPLs Management (ANPLM) function,</p>	<p>a. <i>Quarterly, upon submission to AC</i></p> <p>b. <i>Annually, upon submission to AC</i></p> <p>c. <i>At most every three years, upon submission to AC</i></p> <p>d. <i>Upon submission to the Bank</i></p> <p>e-f <i>Upon submission to the BoD</i></p> <p>g. <i>Upon submission to the BoG</i></p>

HFSF Template on the Monitoring of Troubled Assets

- The KPIs listed below are non-exhaustive and shall be provided for all portfolios and modification/closure types as defined in BoG's ECA 42/47 where applicable.
- The KPIs shall be calculated based on BoG's ECA 42/47 definitions, where applicable.

	<u>KPIs description</u>	<u>Rationale</u>	<u>Frequency (Quarterly/ Monthly)</u>
Risk / Loss Reduction	1. NPE ratio	1. Indicator of the loan portfolio quality	M
	2. NPE formation	2. Indicator of the loan portfolio quality evolution	M
	3. PF over PEs & NPF over NPEs	3. Indicator of the size of the riskier modified portfolios and of the banks' restructuring activity	M
	4. NPE coverage (by provisions / collaterals)	4. Indicator of loss already incurred, as well as, potential additional loss as a result of adverse movement of collateral value	Q
	5. Mix of collaterals	5. Indicator of collateral quality	Q
	6. Breakdown of NPEs (UtP, +90dpd & denounced)	6. Indicator of the mix and riskiness of NPEs	M
	7. Exposure / Accounts Migration Matrix (as presented at the bottom of the table)	7. Identify flows / dynamics in the quality of loan portfolio (PE & NPEs)	M
	8. Capital release (reduction of NPE's capital requirements)	8. Indicator of the evolution of the capital consumption of the NPE portfolio and of the effectiveness of workout initiatives in the long term	Q
	9. Viable vs. non-viable borrowers	9. Indicator of borrowers creditworthiness and ability to pay	Q
	10. Cooperative vs. non-cooperative borrowers	10. Indicator of borrower's responsiveness	Q
	11. Modification policy exemption rate	11. Indicator of the Bank's compliance with risk policy	M
Operating Capacity & effectiveness	1. NPE per FTE	1-2. Indicator of the capacity of FTEs involved in the NPL mgt process	Q
	2. # Accounts / Borrowers per FTE		Q
	3. # Accounts / Borrowers modified per FTE	3-4. Indicator of the NPL mgt personnel effectiveness and efficiency	Q
	4. # Accounts closed / modified over assigned accounts		Q
	5. # Modifications completed vs. approved	5. Indication of modification implementation rate	M
	6. Modification proposals approval rate	6. Indicator of the appropriateness of modification solutions offered	M
	7. Total cost of legal services (amount, over avg. NPE / modification balance, per FTE)	7-8. Indicator of operating efficiency	Q
	8. Total cost of collection services (amount, over avg. NPE / modification balance, per FTE)		Q
Performance	1. Ratio of denounced exposures for which no action has been taken over total denounced exposures (as well as, collateral coverage of such exposures)	1. Indicator of the legal workout unit effectiveness	Q
	2. Ratio of denounced exposures under bankruptcy process over total denounced exposures (as well as, collateral coverage of such exposures)	2. Indicator of the size of the legally protected denounced portfolio	Q
	3. Cash recovery 1: Actual vs. Budgeted	3. Indicator of the effectiveness of cash collection vs. Banks' approved annual Budget	M
	4. Cash recovery 2: Actual vs. Scheduled according to modified loan payment schedule	4. Indicator of the effectiveness of modifications vs. approved modified loan payment schedule	M
	5. Reversal of Provisions	5. Indicator of the effectiveness of workout initiatives in the long term	Q
	6. Cure rate after probation period per modification type	6-7. Indicator of the effectiveness of modification solutions offered	M
	7. Re-default rates per modification type		M
	8. Effect on PPI	8. Indicator of the impact of exposures returning to performing status on Banks' profitability	Q
	9. Borrowers / accounts modified more than once vs. total modified borrowers/accounts (per modification type)	9. Indicator of the effectiveness / appropriateness of modifications	M

Exposure / Accounts Migration Matrix

- Migration matrix shall be completed in terms of both exposures and accounts for all loan portfolios defined in BoG's ECA 42/47.

Appendix III

Documents to be communicated to the HFSF

Issues/Documents	Frequency
Internal Audit a. Audit Committee Charter b. Internal Audit Charter c. Internal Audit Operations Manual d. Risk Based Audit Plan	<i>a-c : Current version in force 7 days from signing of the Agreement and any future revision, 5 days after the relevant Bank's approval</i> <i>d: Annually, 5 days after the relevant Bank's approval</i>
Risk Management a. Risk Committee Charter b. Credit and Asset & Liability Committees Charters c. Risk Management, Credit, Work-out & Recoveries Divisions Charters d. Credit (incl. Restructuring), Investment and Risk (incl. Provisioning & Write-off) Policies e. Risk & Controls Self-Assessment Report f. Arrears & NPL Management body Charter (BoG Act 42)	<i>a-d & f : Current version in force 7 days from signing of the Agreement and any future revision, 5 days after the relevant Bank's approval</i> <i>e : Annually, 5 days after the relevant Bank's approval</i>
Other a. Nomination Committee Charter b. BoD selection policy c. Remuneration Committee Charter d. Remuneration policy e. Corporate Governance Code f. Organizational chart	<i>a-f : Current version in force 7 days from signing of the Agreement and any future revision, 5 days after the relevant Bank's approval</i>