

#### **APPENDIX 4**

The **duties and responsibilities of the Nominations, Corporate Governance and Sustainability Committee** are summarised below:

##### **Corporate Governance**

- i. The Committee is regularly informed of current trends and developments in the area of banking, corporate governance, including best practice and relevant regulations.
- ii. Reviews periodically the Policies implemented by the Board of Directors for the appointment, appraisal and development of Executives and Key Function Holders.
- iii. It shall review the Bank's Corporate Governance Code and the Corporate Governance Report on an annual basis and recommend their approval by the Board of Directors.
- iv. It shall facilitate the regular review of the duties and responsibilities of the Board Committees stated in the Corporate Governance Code, in consultation with the relevant Committees, by providing input to each Committee in order to ensure that the Charters remain fit-for-purpose and align with the relevant Regulatory Framework as well as with corporate governance best practices.

##### **Nominations - Appointments to the Board of Directors and to Key Function Holders in the Bank based on the suitability criteria**

- i. The Committee shall revise and submit for approval to the Board of Directors the internal Policy referred to as the *Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders and Diversity, Induction and Training Policy for the Members of the Board of Directors*.
- ii. Assesses the candidates for appointment to the Board of Directors based on the suitability criteria and, to this end, it shall evaluate the current composition of the Board of Directors in the light of the various sectors of business offered by the Bank.
- iii. Recommends for approval by the Board of Directors, candidates to fill vacant positions at the Board of Directors, Senior Managers and Key Function Holders.
- iv. It shall describe the various skills and qualifications which in its judgment are required for filling the positions of Members of the Board of Directors.
- v. It shall examine the individual experiences, knowledge, education, skills, background, other qualities and characteristics of the personality of the candidate Member in comparison with those of the other Members of the Board of Directors and ensure, to the extent possible, that the candidates:
  - Are distinguished for their character, integrity and good reputation.
  - Possess the necessary experience, expertise, skills and knowledge for fulfilling their duties and responsibilities, and practical experience gained from several years of services in senior management positions.
  - Possess knowledge of financial affairs or other professional or business experience, which are related to the activities/business of the Bank.
  - Are in a position to devote sufficient time to the performance of their duties and responsibilities.
  - Declare any business interests that could lead to conflicts of interest as well as any future business interests that could affect their independent will.
  - Possess collectively with the rest of the Members of the Board of Directors adequate knowledge, skills and experience so that the Board, as a whole, is able to comprehend the activities of the Bank, including the main risks.



- The Independent Non-Executive Members meet the criteria of independence as provided in the Directive of the Central Bank, with a view to enhancing the effectiveness of the checks and balances within the Bank.
- vi. Evaluate in cooperation with the Parent Company (which is the sole Shareholder of the Bank) and propose to the Board of Directors for approval suitable candidates for the position of the Bank's Managing Director/CEO and the Chair of the Board of Directors.
- vii. Submit suggestions to the Board of Directors in connection with the composition of the Committees of the Board.
- viii. If at any time, a person holding the position of the Independent Non-Executive Member of the Board does not satisfy, or does not appear to satisfy any of the independence criteria owing to any developments, the Committee shall examine the matter forthwith and proceed to the submission of a relevant suggestion to the Board of Directors for handling the matter, or for redefining his/her role on the Board and/or the appointment of a new Independent Non-Executive Member. The period for implementation of all corrective measures must not exceed one month and the Member in question must be relieved of any duties as an Independent Non-Executive Member as of the date on which the non-compliance with the independent criteria was identified.
- ix. All the material changes mentioned above shall be communicated to the Central Bank of Cyprus, pursuant to the provisions of the Directive of the Central Bank of Cyprus, particularly when they concern the suitability or the independence criteria and the adequate time for exercising the duties of Members of the Board, within seven calendar days from their submission to the Secretary of the Board.
- x. Following a proposal by the CEO, the Committee evaluates and proposes to the Board of Directors the appointment or dismissal of Key Function Holders of the Bank, if the circumstances so require, except for the Heads of Internal Audit and Compliance, and the Chief Risk Management Officer and the Head of Information Security, where the relevant proposal is submitted by the Audit Committee and the Risk Committee, accordingly, as this is defined in the Bank's relevant internal Policy.

*Evaluation of the Board of Directors as a whole and each Member separately – Education and succession plans for the Members of the Board of Directors*

- i. It shall evaluate and assess at least once a year, the structure, size, composition and performance of the Board, as well as the knowledge, skills, experience and diversity of the Members and shall prepare and submit Reports to the Board of Directors.
- ii. It shall conduct, at least once a year, an evaluation of the collective suitability of the Board, on the basis of relevant criteria specified in the Directive of the Central Bank of Cyprus, and shall submit the results of the evaluation to the Board.
- iii. From time to time, it shall evaluate the succession plans of the Members of the Board of Directors, the CEOs, the General Managers and the Key Function Holders and shall also identify and propose candidates for vacant posts in the Board and maintain a list of potential candidates. It shall evaluate and ensure, the plans for securing smooth succession and maintenance of the appropriate balance of diversity, skills and experience, and also the gradual renewal of the Board of Directors and shall submit reports in connection with this matter to the Board.
- iv. It shall supervise the holding of an induction and information programme for the new Members of the Board of Directors, as well as a programme of the training for existing Members, according to the needs that arise from the operation of the Board of Directors.
- v. It shall review regularly and recommend to the Board of Directors for approval the "Induction and Training for the Members of the Board of Directors Policy".



Safeguarding adequate gender representation

- i. The Committee shall decide on the setting of a target for representing the insufficiently represented gender on the Board of Directors and establish a policy for increasing the percentage of the insufficiently represented gender, in order to fulfil the determined goal. The target, policy and their implementation shall be published pursuant to the provisions of Regulation (EU) no. 575/2013.
- ii. It shall review at least annually and recommends to the Board of Directors the approval of the "Diversity Policy".

Sustainability - Issues related to the fields of Environment, Social and Governance - (ESG)

- i. The Commission seeks to implement the standards related to the ESG areas, in accordance with the relevant regulatory framework and relevant best practices, thus strengthening the Bank's long-term commitment to create value in terms of its sustainable development. ESG areas include, environmental issues such as climate change and shortage of natural resource, social issues such as labour and workforce issues, corruption, bribery and human rights. As well as governance issues of the Bank included the diversity in the Board of Directors and remuneration issues.
- ii. It evaluates at least once a year, the current and emerging trends and regulatory developments in matters related to the areas of ESG, which may significantly affect the Bank's activities, highlighting to the Board of Directors sectors, in which actions may be required.
- iii. It ensures the implementation of the Bank's policies in matters related to the ESG areas.
- iv. Oversees important initiatives of the areas of sustainability and corporate responsibility and ensures the submission of any reports to the Stakeholders.
- v. Ensures the Bank's alignment with the sustainability requirements.
- vi. It acts as the final link and as the competent Committee of the Board of Directors, for all the matters related to sustainability and the areas of ESG and promotes any respective comments and observations of the Committees of the Board of Directors when deemed necessary.
- vii. It evaluates at least once a year, the Bank's Sustainability Policy and the issues related to the ESG areas and submits proposals for amendments, if necessary.

Other duties and responsibilities

- i. It shall review from time to time, and at least once a year, in cooperation with the Audit and Risk Committees, the composition, powers and independence of the Internal Audit Division and shall submit reports to the Board of Directors.
- ii. In the performance of its duties, it shall take into account the need to ensure that the decision-making by the Board of Directors is not dominated by one person or a small group of people in such a way as to harm the interests of the Institution as a whole.
- iii. Conducts self-evaluations and submit to the Board of Directors its conclusions and suggestions for improvements and changes.
- iv. Ensures that the necessary resources are available within and out of the Bank for supporting the Committee's work.
- v. It shall submit its annual and semi-annual Activity Reports to the Corporate Governance, Sustainability and Nominations Committee of the Alpha Bank S.A.