

Audit Committee

The **Audit Committee**, as one of the mandatory committees under the regulatory framework, was established by a decision of the Board of Directors of the Bank and its aim is to assist the BoD in carrying out its supervisory duties, in respect of matters primarily concerning:

- the Internal Control System (ICS) of the Bank, as such is described in the applicable regulatory and supervisory framework at each time;
- the procedure of the preparation of the annual and interim financial reports;
 - the recommendation for the selection and remuneration of the external certified auditors;
 - the compliance with the Code of Conduct of the Bank.

The Committee consists of three (3) non-executive members of the BoD, one of which, its Chairperson, is an independent non-executive member.

the Committee meets upon notice of its Chairperson, as often as deemed necessary for fulfilling its mandate, however not less than once (1) per quarter. Every member of the Committee is entitled to request in writing from the Chairperson to convene the Committee in order to discuss specific matters. The Committee meets only if all its members are present. The Committee has the following powers and duties:

- > It monitors and assess annually the adequacy and effectiveness of the ICS;
- > It supervises and assesses the procedures for the preparation of the published annual and interim financial statements;
- > It supervises the conduct, by the statutory certified auditors, of the audit of the annual financial statements of the Bank;
 - > It submits a proposal to the BoD for the selection of the external auditors;
 - > It ensures the independence of the certified auditors;
 - > It submits proposals to address any identified weaknesses;
- > It submits proposals for the special areas which must be audited additionally;
 - > It recommends to the BoD the appointment of the Head of the Internal Audit Unit (IAU);
- > It assesses the work of the IAU and determines the rules and the conditions that ensure its independent operation, recommending to the BoD the acceptance of the Operation Regulation and its updates;
 - > It assesses and approves the annual Action Plan of the IAU;
 - > It reviews the proper keeping of the electronic register of the Bank members;
 - > It recommends to the BoD the selection of the external certified auditor;
- > It reviews and ensures the alternation of the audit firm and the certified auditors that undertake the assessment of the adequacy of the ICS of the Bank;
- > It assesses the annual report of the Competent Officer which concerns the level of compliance of the Bank and the results of the annual assessment of the adequacy and effectiveness of the policy against Money Laundering (ML) and Terrorism Financing (TF);
- > It is informed by the Compliance Unit concerning material changes in compliance matters;
 - > It informs the BoD of the Bank concerning the results of the statutory audit;
- > It submits recommendations or proposals for ensuring the integrity of the financial reporting of the Bank.