

SANTANDER BANK POLSKA S.A  
SPÓŁKA AKCYJNA  
SUPERVISORY BOARD

**Resolution of the Supervisory Board no. 93/2020  
dated 9 December 2020**

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Pursuant to § 32 of Santander Bank Polska S.A Statutes and § 2 of Annual General Meeting of Santander Bank Polska S.A. Resolution no. 32 dated 16<sup>th</sup> May 2019, the Supervisory Board resolves as follows:

§ 1

The Policy on the suitability assessment of the Supervisory Board Members in Santander Bank Polska S.A. which is appendix no. 1 to the Annual General Meeting Resolution no. 32 dated 16<sup>th</sup> May 2019 (“the Policy”) shall be read as in appendix hereto.

§ 2

This Resolution becomes effective as of the day of its adoption.

For and on behalf of  
the Supervisory Board of  
Santander Bank Polska S.A  
Chairman

Gerry Byrne



**Appendix 1 to Resolution  
of the Annual General Meeting  
Santander Bank Polska S.A.  
of 16 May 2019**

**POLICY ON THE SUITABILITY ASSESSMENT OF THE SUPERVISORY BOARD  
MEMBERS IN SANTANDER BANK POLSKA S.A.**

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## 1. INTRODUCTION

Striving to ensure adequate selection of the Supervisory Board members, the Bank introduces this *Policy on Suitability Assessment of Supervisory Board members in Santander Bank Polska S.A.* based on the Joint Guidelines of the European Securities and Markets Authority and the European Banking Authority no. EBA/GL/2017/12, Guidelines of the European Banking Authority EBA/GL/2017/11 and the applicable provisions of law, in particular the Banking Act, the Commercial Companies Code, and the Suitability assessment methodology for members of governing bodies of the entities supervised by the Polish Financial Supervision Authority (KNF).

The Bank strives to ensure that the Supervisory Board members and candidates for this function should at all times have professional skills appropriate for their positions, required knowledge and experience as well as good repute both in their professional and private lives.

To promote diversity and to engage a broad set of qualities and competences, perspectives and experience on the Supervisory Board needed to support independence of mind and informed decision making based on a wide array of criteria, the Bank makes all efforts to ensure that candidates for the Supervisory Board members have a broad set of qualities and competencies as well as demonstrate the independence of mind.

This Policy applies across the Bank Group and all subsidiaries making up the Bank Group are responsible for the implementation of this Policy subject to potential changes made in consultation with the Bank, if required. The Policy applied by the Bank's subsidiaries should reflect the business profile of these entities.

For matters not directly regulated in this Policy, the Guidelines and/or the Methodology will apply in the process of suitability assessment.

## 2. DEFINITIONS

**Bank** – Santander Bank Polska S.A. with its registered office in Warsaw,

**Committee** – Nominations Committee of the Supervisory Board,

**Bank Group** – the Bank and its subsidiaries as per Article 4(1)(9) of the Banking Act,

**Policy** – this Policy on Suitability Assessment of Supervisory Board members in Santander Bank Polska S.A.,

**Guidelines** – Guidelines of the European Securities and Markets Authority [ESMA] and of the European Banking Authority [EBA] no. EBA/GL/2017/12,

**Methodology** – Suitability assessment methodology for members of governing bodies of entities supervised by the KNF,

**Competence Profile** – detailed set of benchmark criteria for assessing the suitability of the Supervisory Board members and candidates for the roles of Supervisory Board members (Individual Competence Profile) and for assessing the collective suitability of the Supervisory Board (Collective Competence Profile),

**Personal Questionnaire** – detailed set of information on the assessed individual's educational background, their professional career, duties and responsibilities in individual positions, performed functions, management experience and people management experience,

**Annual General Meeting** – Annual General Meeting of Shareholders of Santander Bank Polska S.A.,

**Individual Assessment Forms** – template individual assessment forms for a member of a body of a supervised entity or the Audit and Compliance Committee member, along with appendices (auxiliary forms), as set out in the Methodology.

**Collective Assessment Forms** – collective suitability assessment form for a management body or the Audit and Compliance Committee specified in the Methodology.

### 3. GENERAL PRINCIPLES

#### § 1

1. This Policy applies to the Supervisory Board members and candidates for performing the roles of the Supervisory Board members.
2. This Policy regulates the following issues applicable to persons subject to this Policy:
  - a) basic requirements with regard to the level of knowledge, skills, experience, reputation, honesty and integrity,
  - b) procedure for suitability assessment,
  - c) the manner of documenting suitability assessments and their results.
3. The Supervisory Board and the Committee should monitor the effectiveness of applying the Policy in the Bank and review it on a regular basis. If necessary, the Supervisory Board should present to the Annual General Meeting recommendations with regard to amendments to the Policy, taking into account the recommendations of the Committee and the internal audit unit.

### 4. SUITABILITY ASSESSMENT PROCESS

#### § 2

1. The assessment of knowledge, skills and experience of persons subject to this Policy is made at the stage of their selection and after their appointment.
2. The assessment is made in the following forms:
  - a) assessment and re-assessment of individual suitability of Supervisory Board members,

- b) assessment and re-assessment of the collective suitability of the Supervisory Board,
3. On an ongoing basis, the Committee monitors and ensures that Supervisory Board members, individually and collectively, are suitable at all times and that they possess adequate knowledge, skills and experience to be able to understand the Bank's activities, including the main risks and that they are capable to efficiently organise their working process as well as to understand and provide constructive challenge to the decisions and effective oversight of the Management Board. To this end, the Committee makes their suitability assessments or re-assessments.
  4. Individual and collective assessment and re-assessment of the Supervisory Board members is made by the Committee. The Supervisory Board presents information on the results of these assessments at the next scheduled Annual General Meeting.
  5. The assessment referred to in point 2 is made on the basis of documents and statements which confirm the knowledge, skills and experience as well as reputation of the assessed individuals and on the basis of individual meetings with them.
  6. At least annually, the Committee makes a comprehensive assessment of the structure, size, composition and performance of the Supervisory Board and, if needed, issues relevant recommendations..
  7. At least annually, the Committee makes a comprehensive individual and collective assessment of the knowledge, skills and experience of the Supervisory Board members and reports the results to the Supervisory Board.
  8. By making the individual suitability assessment of particular Supervisory Board members, the Committee concurrently makes the collective suitability assessment of the Supervisory Board, in particular in terms of the knowledge, skills and experience contributed by the assessed Supervisory Board member to the Supervisory Board as a whole that have an impact on the collective suitability of the Supervisory Board.
  9. When making the assessment, the Committee should consider the diversity of the Supervisory Board composition as referred to in Section 7.
  10. As a general rule, individual and collective suitability of the Supervisory Board members should be assessed prior to appointing an individual person as a member of the Supervisory Board.
  11. The initial individual and collective suitability assessment of the Supervisory Board members can be made also after appointing a Supervisory Board member – in justified cases when a suitability assessment prior to the appointment of a Supervisory Board member would disrupt the sound functioning of the Supervisory Board, including situations where the need to replace a Supervisory Board member arises suddenly or unexpectedly, in particular where a member is removed because he or she is not any longer suitable. Such an assessment should be made as soon as possible, not later however, than within one month from the appointment.
  12. When making the assessment, the Committee should consider the risks, including the reputational risk, arising in the event that any weaknesses are identified affecting the individual or collective suitability of the Supervisory Board members.
  13. The Committee should take into account the results of the suitability assessment of individual Supervisory Board members when assessing the collective suitability of the Supervisory Board and vice-versa. Weaknesses identified within the Supervisory

Board as a whole should not necessarily lead to the conclusion that a given Supervisory Board member is individually not suitable.

14. The Committee should document the results of its assessment of suitability, and in particular any gaps identified between the required and the actual individual and collective suitability of Supervisory Board members as well as measures taken to overcome these shortcomings.
15. The Supervisory Board should transmit to the Polish Financial Supervision Authority (KNF) the outcome of the suitability assessments for new Supervisory Board members, including the assessment of the collective suitability of the Supervisory Board. The documentation listed in **Appendix C** hereto and/or other documents, including Individual Assessment Form or Collective Assessment Forms can be provided to the KNF at its request.
16. When making the individual and collective re-assessment of the Supervisory Board members' suitability, the Committee should primarily take into account the following factors:
  - a) the efficiency of the Supervisory Board's working processes, including the efficiency of information flows and reporting lines, taking into account the input from internal control functions and any follow-up or recommendations made by those functions;
  - b) the effective and prudent management of the Bank, including whether or not the Supervisory Board acted in the best interest of the Bank;
  - c) the ability of the Supervisory Board to focus on strategically important matters;
  - d) the adequacy of the number of meetings held, the degree of attendance, the appropriateness of time committed and the intensity of Supervisory Board members' involvement during the meetings;
  - e) any changes to the composition of the Supervisory Board and any weaknesses with regard to individual and collective suitability, taking into account the Bank's business model and risk strategy and changes thereof;
  - f) any performance objectives set for the Bank and the Supervisory Board;
  - g) the independence of mind of Supervisory Board members, including the requirement that decision making is not dominated by any one individual or small group of individuals and the compliance of Supervisory Board members with the conflict of interest policy;
  - h) diversity of the Supervisory Board composition as referred to in Section 7;
  - i) any events that may have a material impact on the individual or collective suitability of the Supervisory Board members, including changes to the Bank's business model, strategies and organisation.
17. Having familiarised themselves with the assessment outcome and recommendations referred to in point 6, the Supervisory Board members should decide whether or not they accept the recommendations made and document the underlying reasons.

18. The Supervisory Board should inform the KNF about individual and collective re-assessment of the Supervisory Board members' suitability, in particular if made due to material changes. The Bank should inform the KNF at least annually of any re-assessments of collective suitability made.
19. In the event of concluding that a particular Supervisory Board member is not suitable individually, the Supervisory Board should immediately inform the KNF without delay about this fact and about the measures proposed or taken to remedy the situation.
20. In the process of making individual and collective assessment and re-assessment of the Supervisory Board members, the Committee can use the list of skills and competence representing **Appendix A** to this Policy.
21. The Committee should transmit to the Supervisory Board the outcome of each assessment made under this Policy.
22. In assessing the suitability under this Policy, the Committee may collaborate with other committees or organisational units of the Bank.

## **5. ASSESSMENT OF THE INDIVIDUAL SUITABILITY OF SUPERVIORY BOARD MEMBERS**

### **§ 3**

1. The suitability assessment criteria for the Supervisory Board members are set by the Supervisory Board based on the Committee's recommendations.
2. The assessment criteria are related to the duties and responsibilities of a specific position and cover requirements related to the assessed persons' knowledge, skills, experience to perform their duties, independence of mind, time commitment to perform their duties, honesty and integrity as well as sufficiently good reputé, taking into account the nature, scale and complexity of the Bank's activities, considering the independence criteria listed in **Appendix E** as well as those arising from applicable laws.
3. When making the assessment, the Committee should consider if the assessed person is able commit sufficient time to perform their duties and responsibilities, including time to understand the Bank's activities, the main risks as well as the risk management strategy, in particular if that member takes on an additional directorship or starts to perform new relevant activities, including political ones.
4. The Supervisory Board members should also be able to fulfil their duties in periods of particularly increased activity and higher required time commitment than in normal periods, such as a restructuring, an acquisition, a merger, a takeover or a crisis situation.
5. The reputation assessment is made by analysing the extent to which the assessed individual meets the reputation requirements and by concluding whether they are met or not. The list of reputation requirements is provided in the Individual Competence Profile of the assessed individual.
6. The Individual Competence Profile of a given person is revised when their scope of duties changes materially.
7. The template for the Individual Competence Profile for the Supervisory Board members is attached as **Appendix 1** to this Policy.

8. The suitability of the Supervisory Board members is assessed and re-assessed in the following situations:
  - a) planned appointment of a given candidate to the Supervisory Board,
  - b) occurrence of material changes to the composition of the Supervisory Board, with the assessment being limited to the newly appointed Supervisory Board members,
  - c) material changes to the Individual Competence Profile, with the assessment being limited to members for whom the requirements of the position have changed or if the member is appointed to a different position,
  - d) reporting by assessed individuals or the Committee becoming aware of new material facts which might impact their assessment, excluding information about the implementation of recommendations included in the Personal Development Plan referred to in Paragraph 10, subject to point 9 below,
  - e) failure to fulfil the recommendations set out in the Personal Development Plan confirmed in a report prepared by the person responsible for designing the Personal Development Plan.
9. The suitability of the Supervisory Board members should be re-assessed in the circumstances outlined in point 8:
  - a) when there are concerns regarding the individual or collective suitability of the Supervisory Board members,
  - b) in the event of a material impact on the reputation of a Supervisory Board member, or the Bank, including cases where members do not comply with the applicable conflict of interest policy;
  - c) as part of the review of the internal governance arrangements by the Supervisory Board;
  - d) in any event that can otherwise materially affect the suitability of the Supervisory Board member.
10. The Committee should also re-assess the sufficient time commitment of the Supervisory Board member if that member takes on an additional directorship or starts to perform new relevant activities, including political ones.

#### § 4

1. The suitability is assessed on the basis of personal details included in the Personal Questionnaire, the template of which is attached as **Appendix 3** to this Policy or in the Individual Assessment Forms specified in the Methodology and based on the statements arising from the law, incl. Article 22aa(11) of the Banking Law Act. Personal details included in the Personal Questionnaire or in the Individual Assessment Forms should be confirmed by relevant documents, or if not available, the statement of the assessed individual on their skills.
2. When assessing the suitability of a given Supervisory Board member, the Committee should:
  - a) gather information on the assessed individual through different channels and instruments, in particular diplomas, certificates and interviews,
  - b) gather information on the reputation, integrity, honesty and independence of mind of the assessed individual;



- c) require the assessed individual to verify that the information provided is accurate and to provide proof of information, where necessary;
  - d) require the assessed individual to declare any actual and potential conflicts of interest;
  - e) adopt corrective measures to ensure the individual suitability of the Supervisory Board members.
3. Where there is a matter which causes concerns about the suitability of a Supervisory Board member, the Committee should assess how this concern affects that person's suitability. In particular, if there is warranted concern about the good repute of the assessed individual, the Committee may ask the Supervisory Board member to clarify the concerns in question. The assessed individual may do it by presenting relevant proofs and statements.
  4. The Committee should deem the assessed individual to be of good repute, honesty and integrity if there are no objective and demonstrable grounds to suggest otherwise in particular taking into account the relevant available information on the factors or situations listed in **Appendix D**. The assessment of reputation, honesty and integrity should also consider the impact of the cumulative effects of minor incidents on a Supervisory Board member's reputation.
  5. The Committee should take into account if the assessed individual can act with 'independence of mind' which is a pattern of behaviour, shown in particular during discussions and decision-making within the Supervisory Board, and which is required for each member. All Supervisory Board members should engage actively in their duties and should be able to make their own sound, objective and independent decisions and judgments when performing their functions and responsibilities.
  6. Documents underlying the individual suitability assessment of Supervisory Board members are kept at the Corporate Governance Office.

## § 5

1. In the assessment of sufficient time commitment of a Supervisory Board member, the Committee should take into account the criteria listed in **Appendix B**.
2. The Bank should record in writing the roles, duties and required capabilities of the various positions within the Supervisory Board and the expected time commitment required for each position, also taking into account the need to devote sufficient time for induction and training.
3. The Bank should keep records of all external professional and political positions held by the Supervisory Board members and update them whenever a member notifies such a change.
4. Each time, the Supervisory Board member should be made aware of the expected time commitment required to spend on his or her duties and, if required, a member should confirm that he or she can devote that required amount of time to the role.

5. The Committee should monitor on an on-going basis that the Supervisory Board members commit sufficient time to perform their functions, in particular the Committee should also consider the impact of any long-term absences of the Supervisory Board members in its assessment of the sufficient time commitment of other members of the Supervisory Board.
6. If any changes to such functions have been determined as referred in point 3 – which may reduce the ability of a Supervisory Board member to commit sufficient time to perform his or her function, the Committee should re-assess the member's ability to respect the required time commitment for his or her position.

## **6. ASSESSMENT OF COLLECTIVE SUITABILITY OF THE SUPERVISORY BOARD**

### **§ 6**

The assessment of the collective suitability of the Supervisory Board is to check if the Supervisory Board collectively has at all times adequate knowledge, skills and experience enabling it to understand the Bank's activities, including the main risks.

### **§ 7**

1. The criteria used in the assessment of the Supervisory Board's collective suitability are set by the Supervisory Board based on the Committee's recommendations and include knowledge, skills, and professional experience, and the need for providing evidence for having the appropriate experience.
2. The detailed criteria for the Supervisory Board are set out in the Collective Competence Profile representing **Appendix 2** to this Policy. The collective assessment of the Supervisory Board can be also made on the basis of the Collective Assessment Form. The Collective Competence Profile is revised when material changes in the scale or profile of the Bank's business occur, also as a result of the acquisition of a financial institution.
3. The assessment of the Supervisory Board's collective suitability should provide a comparison between the actual composition of the Supervisory Board and the Supervisory Board's actual collective knowledge, skills and experience, and the required collective suitability pursuant to Article 91(7) of Directive 2013/36/EU.
4. The Committee should re-assess the Supervisory Board's collective suitability in particular:
  - a) when there is a material change to the Bank's business model, risk appetite or strategy or structure at the Bank's or Bank Group's level;
  - b) as part of the review of the internal governance arrangements by the Supervisory Board;
  - c) in any event that can otherwise materially affect the collective suitability of the Supervisory Board.
5. Where re-assessments of the collective suitability are performed, the Committee should focus on the material changes in the Bank's business activities, strategies

and risk profile and on the distribution of duties within the Supervisory Board as well as their impact on the required collective knowledge, skills and experience of the Supervisory Board.

## § 8

1. The assessment and re-assessment of the Supervisory Board's collective suitability is made each time when:
  - a) a new Supervisory Board member is appointed,
  - b) material changes in the Supervisory Board's composition occur,
  - c) the Collective Competence Profile of the Supervisory Board referred to in Paragraph 7(2) is revised.
2. The Supervisory Board's collective suitability is assessed on the basis of the Collective Competence Profile.
3. The assessment whether the Supervisory Board collectively is of good repute is determined by a positive assessment of each individual Supervisory Board member in this respect.
4. The assessment of the Supervisory Board's collective suitability should be based on a comparison of individual Supervisory Board members skills against the Collective Competence Profile of the Supervisory Board.
5. The Committee informs the Supervisory Board about the results of its collective suitability assessment.
6. The Committee is held responsible for gathering documents underlying the assessment.
7. Documents underlying the collective suitability assessment of Supervisory Board members are kept at the Corporate Governance Office.

## **7. DIVERSITY IN THE SUPERVISORY BOARD'S COMPOSITION**

### § 9


1. When appointing the Supervisory Board members, the Bank strives to ensure that the composition of the Supervisory Board provides appropriate balance of diversity, especially in terms of education and experience, gender, age and geographical provenance.
2. When appointing the Supervisory Board members, the Bank will strive to achieve at least 30% female representation on the Supervisory Board in 2025, with a proviso that the target will be deemed achieved even if the percentage of female representation (against the total number of members) on the Supervisory Board and the Management Board is 30% in this year.
3. When appointing Supervisory Board members for a new term of office, the Bank will make all efforts to gradually increase the female representation on the Supervisory Board in order to bring it towards the target set in point 2. The Committee will ensure that the Succession Plan developed in accordance with "*Nomination and Succession Planning Policy for Supervisory Board members at Santander Bank Polska S.A.*" provides an appropriate female representation enabling achievement of the target referred to in point 2.

4. Diversity in terms of education and experience will be assessed taking into consideration the Bank's current and strategic objectives and existing and future high-priority projects.
5. The Bank will strive to ensure that the composition of the Supervisory Board reflects balance in terms of members' age providing a wide range of seniority, experience and skills.
6. With respect to the Supervisory Board's diversity in terms of geographical provenance, the Nominations Committee will take into consideration the Bank's relationship with Santander Group and its cross-border business objectives.

## **8. POSTASSESSMENT MEASURES**

### **§ 10**

1. Appointment of a Supervisory Board member should be preceded by the candidate's positive suitability assessment. If not possible, such an assessment should be made as soon as possible, not later however than within one month from the appointment.
2. If the Supervisory Board's collective suitability is assessed positively, the Supervisory Board deems that its composition is suitable and sufficient to perform its duties.
3. If an assessment or re-assessment concludes that a given individual is not suitable, the individual will not be appointed a Supervisory Board member, and if having been appointed earlier, the individual should be removed and replaced by a suitable person.
4. If an assessment or re-assessment identifies easily remediable shortcomings in the Supervisory Board members' knowledge, skills or experience, the Committee should take appropriate corrective measures to overcome these shortcomings in a timely manner. This does not apply to the criteria of reputation, honesty and integrity.
5. If it is determined that the assessed individuals have certain competence shortcomings, Personal Development Plans will be designed to ensure that these shortcomings are remedied. Personal Development Plans are designed by the Committee Chairman with the support of the Bank's organisational units responsible for senior management skills development..
6. Reports on progress against Personal Development Plans are presented to the Committee after the expiry of the due dates for implementing the recommendations set out in the Personal Development Plans.
7. If an assessment or re-assessment concludes that the Supervisory Board is not collectively suitable, the Committee should decide on appropriate corrective measures. When corrective measures are taken, the situation and shortcomings of an individual member or the Supervisory Board on a collective basis should be considered. Appropriate corrective measures may include, but are not limited to: adapting the distribution of duties among the Supervisory Board members; replacing certain members; recruiting additional members; possible measures to mitigate conflicts of interest; training for single members or training for the Supervisory Board collectively to ensure the individual and collective suitability of the Supervisory Board.

8. In any case, the KNF should be informed without delay of any material shortcomings identified concerning any single member of the Supervisory Board and the Supervisory Board as a whole. The information should include the measures taken or envisaged to remedy those shortcomings and the timeline for their implementation.
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## 9. APPENDIX A – SKILLS

Below is a non-exhaustive list of factors (experience and skills) which may be considered (in full or in part) when performing the suitability assessments and which reflects all overriding corporate behaviours, in particular: actively collaborate and talk straight.

### Experience:

- **General experience in management:** experience gained at a senior level in a firm.
- **Experience in financial sector:** experience gained at a senior level in a regulated financial services firm.
- **Experience in risk management:** experience gained at a senior level in a risk role.
- **Experience in accounting/finance:** experience gained at a senior level in an accounting or financial role, with shareholder and investor relations experience.
- **Experience in regulatory/ reputational risk management:** experience gained at a senior level in a regulation/ reputational risk role.
- **Experience in corporate governance:** experience gained at a senior level in a corporate governance role.
- **Experience in digital information technology:** experience gained at a senior level in an IT or IT strategy management role.
- **Experience in strategy management:** experience gained at a senior level in a strategy role.
- **Other commercial experience:** commercial experience gained at a senior level (whether executive or non-executive) outside of the financial services sector.
- **Experience in central government academic and or/ research and development roles:** experience gained working at a senior level for a central government function and/or regulatory body, or experience gained in a senior academic role and/or experience of conducting research and/or contributing to the development of legislation.
- **International experience:** international experience gained at a senior level.

Additionally, expertise in functions such as HR, marketing, communications and compliance may be relevant for some key functions.

### Competencies:

- **Authenticity:** is consistent in word and deed and behaves in accordance with own stated values and beliefs. Openly communicates his or her intentions, ideas and feelings, encourages an environment of openness and honesty, and correctly informs the supervisor about the actual situation, at the same time acknowledging risks and problems.
- **Language:** is able to communicate orally in a structured and conventional way and write in the national language or the working language of the Bank's business location.
- **Decisiveness:** takes timely and well-informed decisions by acting promptly or by committing to a particular course of action, for example by expressing his or her views and not procrastinating.
- **Communication:** is capable of conveying a message in an understandable and acceptable manner, and in an appropriate form. Focuses on providing and obtaining

- clarity and transparency and encourages active feedback.
- **Judgement:** is capable of weighing up data and different courses of action and coming to a logical conclusion. Examines, recognises and understands the essential elements and issues. Has the breadth of vision to look beyond his or her own area of responsibility, especially when dealing with problems that may jeopardise the continuity of the undertaking.
  - **Customer and quality-oriented:** focuses on providing quality and, wherever possible, finding ways of improving this. Specifically, this means withholding consent from the development and marketing of products and services and to capital expenditure in circumstances where he or she is unable to gauge the risks properly owing to a lack of understanding of the principles or basic assumptions. Identifies and studies the wishes and needs of customers, ensures that customers run no unnecessary risks and arranges for the provision of correct, complete and balanced information to customers.
  - **Leadership:** provides direction and guidance to a group, develops and maintains teamwork, motivates the reporting staff and ensures that members of teams have the professional competence to achieve a particular goal. Is receptive to criticism and provides scope for critical debate.
  - **Loyalty:** identifies with the undertaking and has a sense of involvement. Shows that he or she can devote sufficient time to the job and can discharge his or her duties properly, defends the interests of the undertaking and operates objectively and critically. Recognises and anticipates potential conflicts of personal and business interest.
  - **External awareness:** monitors developments, power bases and attitudes within the undertaking. Is well-informed on relevant financial, economic, social and other developments at national and international level that may affect the undertaking and also on the interests of stakeholders and is able to put this information to effective use.
  - **Negotiating:** identifies and reveals common interests in a manner designed to build consensus, while pursuing the negotiation objectives.
  - **Persuasive:** is capable of influencing the views of others by exercising persuasive powers and using natural authority and tact. Is a strong personality and capable of standing firm.
  - **Teamwork:** is aware of the group interest and makes a contribution to the common result; able to function as part of a team.
  - **Strategic acumen:** is capable of developing a realistic vision of future developments and translating this into long-term objectives, for example by applying scenario analysis. In doing so, takes proper account of risks that the undertaking is exposed to and takes appropriate measures to control them.
  - **Stress resistance:** is resilient and able to perform consistently even when under great pressure and in times of uncertainty.
  - **Sense of responsibility:** understands internal and external interests, evaluates them carefully and renders account for them. Has the capacity to learn and realises that his or her actions affect the interests of stakeholders.
  - **Chairing meetings:** is capable of chairing meetings efficiently and effectively and creating an open atmosphere that encourages everyone to participate on an equal footing; is aware of other people's duties and responsibilities.
  - **Dynamism and adaptation capability:** ability to undertake complex transformation processes.
  - **Passion and enthusiasm:** pro-active attitude, enthusiasm, optimism.

## 10. APPENDIX B – SUFFICIENT TIME COMMITMENT

### General Criteria

In the assessment of sufficient time commitment of a Supervisory Board member, the following criteria should be considered at least:

- the number of directorships in financial and non-financial companies held by that member at the same time, taking into account possible synergies when they are held within the same group, including when acting on behalf of a legal person or as an alternate of a member of the management body;
- the size, nature, scope and complexity of the activities of the entity where the member holds a directorship;
- the member's principal place of residence and the travel time required for the role;
- the number of meetings scheduled for the Supervisory Board;
- the directorships in organisations which do not pursue predominantly commercial objectives held by that member at the same time;
- any necessary meetings to be held, in particular, with competent authorities or other internal or external stakeholders outside the Supervisory Board's formal meeting schedule;
- the nature of the specific position and the responsibilities of the Supervisory Board member, including specific roles such as CEO, president / chairperson, or chair or member of a committee;
- other external professional or political activities, and any other functions and relevant activities, both within and outside the financial sector;
- the necessary time devoted to induction and training;
- any other relevant duties of the member that the Committee considers to be necessary to take into account when carrying out the assessment of sufficient time commitment of a member; and
- available relevant benchmarking on time commitment, including the benchmarking provided by the KNF.



### **Limitation of Directorships**

Supervisory Board members may not concurrently hold more positions than the number foreseen in any one of the following combinations:

- a) an executive position along with two non-executive positions;
- b) four non-executive positions.

Executive positions shall be understood to be those involving the performance of management functions, whatever the legal relationship attributing these functions to them.

For the purposes of the previous paragraph, the following shall count as a single directorship position:

- a) the executive or non-executive positions held within a single group;
- b) the executive or non-executive positions held within commercial companies in which the Bank has a qualifying holding;

In determining the maximum number of positions, those held in not-for-profit organisations or institutions, or those not pursuing commercial ends, shall not count.

## **11. APPENDIX C – DOCUMENTATION REQUIREMENTS FOR INITIAL APPOINTMENTS OF SUPERVISORY BOARD MEMBERS**

1. Personal details and details on the Bank and the function concerned.

1.1. Personal individual details including full name, name at birth if different, gender, place and date of birth, address and contact details, nationality, and personal identification number or copy of ID card or equivalent; documents related to the change of the name, surname or nationality (if applicable).

1.2 Details of the position for which the assessment is sought. This should also include the following details:

- a. the letter of appointment, contract, offer of employment or drafts thereof, as applicable;
- b. any associated appointing authority minutes or suitability assessment report/document;
- c. the planned start date and duration of mandate;
- d. description of the individual's key duties and responsibilities;
- e. if the person is replacing someone, the name of this person.

1.3 A list of reference persons including contact information, preferably for employers in the banking or financial sector, including full name, institution, position, telephone number, email address, nature of the professional relationship and any information whether or not any non-professional relationship exists or existed with this individual.

2. Suitability assessment by the Bank

2.1 The following details should be provided:

- a. details of the result of any assessment of the suitability of the individual performed by the Bank, such as relevant board minutes or suitability assessment report/document;
- b. whether or not the Bank is significant as defined in the Guidelines; and
- c. the contact person within the Bank.

3. Knowledge, skills and experience

3.1 Curriculum vitae containing details of education and professional experience (including professional experience, academic qualifications and other relevant training), including the name and nature of all organisations for which the individual has worked and the nature and duration of the functions performed, in particular highlighting any activities within the scope of the position sought (banking and/or management experience);

The information to be provided should include a statement from the Bank of whether or not the individual has been assessed as having the requisite experience as enumerated in these Guidelines and, if not, details of the training plan imposed, including the content, the provider and the date by which the training plan will be completed.

#### 4. Reputation, honesty, and integrity

4.1 If the assessed individual makes a statement on pending or completed criminal proceedings or such information is gained from other sources: criminal records and relevant information on criminal investigations and proceedings, relevant civil and administrative cases, and disciplinary actions (including disqualification as a company director, bankruptcy, insolvency and similar procedures) especially through an official certificate or any reliable source of information concerning the absence of criminal conviction, investigations and proceedings (e.g. third-party investigation, testimony made by a lawyer or a notary established in the EU).

4.2 Statement of whether or not criminal proceedings are pending or whether or not the person or any organisation managed by him or her has been involved as a debtor in insolvency proceedings or a comparable proceeding;

4.3 Information concerning the following:

- a. investigations, enforcement proceedings, or sanctions by a supervisory authority in which the individual has been directly or indirectly involved;
- b. refusal of registration, authorisation, membership or licence to carry out a trade, business or profession; or the withdrawal, revocation or termination of registration, authorisation, membership or licence; or expulsion by a regulatory or government body or by a professional body or association;
- c. dismissal from employment or a position of trust, fiduciary relationship, or similar situation, or having been asked to resign from employment in such a position (excluding redundancies);
- d. whether or not an assessment of reputation of the individual as an acquirer or a person who directs the business of an Bank has already been conducted by another competent authority (including the identity of that authority, the date of the assessment, and evidence of the outcome of this assessment) and the consent of the individual where required to seek such information to be able to process and use the provided information for the suitability assessment; and
- e. whether or not any previous assessment of the individual by an authority from another, non-financial, sector has already been conducted (including the identity of that authority and evidence of the outcome of this assessment).

#### 5. Financial and non-financial interests

5.1 All financial and non-financial interests that could create potential conflicts of interest, should be disclosed, including but not limited to:

- a. description of any financial (e.g. loans, shareholdings) and non-financial interests or relationships (e.g. close relations such as a spouse, cohabitant, child, parent, parent in law or other relation with whom the person shares living accommodations) between the individual and his/her close relatives (or any company that the individual is closely connected with) and the Bank, its parent or subsidiaries, or any person holding a qualifying holding in such an institution, including any members of those institutions or key function holders;

whether or not the individual conducts any business or has any commercial relationship (or has had over the past 2 years) with any of the above listed institutions or persons or is involved in any legal proceedings with those institutions or persons;

- c. whether or not the individual and his/her close relatives have any competing interests with the Bank, its parent or subsidiaries;
- d. whether or not the individual is being proposed on behalf of any one significant shareholder;
- e. any financial obligations to the Bank, its parent or its subsidiaries (excluding performing mortgages negotiated at arm's length);
- f. any positions of political influence (nationally or locally) held over the past 2 years.

5.2 If a material conflict of interest is identified, the Bank should provide a statement on how this conflict has been satisfactorily mitigated or remedied including a reference to the relevant parts of the Bank's conflicts of interest policy or any bespoke conflict management or mitigation arrangements.

## 6. Time commitment:

6.1 All relevant and necessary details should be provided to show that the individual has sufficient time to commit to the mandate including:

- a. information about the minimum time that will be devoted to the performance of the person's functions within the Bank (annual and monthly indications);
- b. a list of the predominantly commercial mandates that the individual holds including whether or not the privileged counting rules in Article 91(4) of CRDIV apply;
- c. where the privileged counting rules apply an explanation of any synergies that exist between the companies;
- d. a list of those mandates which are pursuing predominantly non-commercial activities or are set up for the sole purposes of managing the economic interests of the individual;
- e. the size of the companies or organisations where those mandates are held including for example, total assets, whether or not the company is listed, and number of employees;
- f. a list of any additional responsibilities associated with those mandates (such as the chair of a committee);
- g. estimated time in days per year dedicated to each mandate; and
- h. number of meetings per year dedicated to each mandate.

## 7. Collective knowledge, skills and experience:

The Bank should provide a list of the names of the members of the Supervisory Board and their respective roles and functions in brief.

7.2 The Bank should provide a statement regarding its overall assessment of the collective suitability of the Supervisory Board as a whole, including a statement on how the individual is to be situated in the overall suitability of the Supervisory Board. This should include the identification of any gaps or weaknesses and the measures imposed to address these.

8. Any and all other relevant information should be submitted as part of the application and the statements.

## 12. APPENDIX D – REPUTATION, HONESTY AND INTEGRITY

1. The assessment of reputation, honesty and integrity should consider any relevant administrative records in particular criminal records, considering the type of conviction or indictment and any other surrounding circumstances. Any relevant criminal or administrative records should be taken into account considering periods of limitation in force in the national law.
2. Without prejudice to the presumption of innocence applicable to criminal proceedings, and other fundamental rights, the following factors should at least be considered in the assessment of reputation, honesty and integrity:
  - a. convictions or ongoing prosecutions for a criminal offence, in particular:
    - offences under the laws governing banking, financial, securities, insurance activities, or concerning securities markets or financial or payment instruments, including laws on money laundering, corruption, market manipulation, or insider dealing and usury;
    - offences of dishonesty, fraud or financial crime;
    - tax offences;
    - other offences under legislation relating to companies, bankruptcy, insolvency, or consumer protection;
  - b. other relevant current or past measures taken by any regulatory or professional body for non-compliance with any relevant provisions governing banking, financial, securities, or insurance activities.
3. On-going investigations should be taken into account when resulting from judicial or administrative procedures or other analogous regulatory investigations without prejudice to fundamental individual rights as well as situations relating to the past and present business performance and financial soundness of a Supervisory Board member with regard to their potential impact on the member's reputation, integrity and honesty:
  - a. being a defaulting debtor, triggering negative records at a relevant register;
  - b. financial and business performance of entities owned or directed by the Supervisory Board member or in which the member had or has significant share or influence with special consideration to any bankruptcy and winding-up proceedings and whether or not and how the member has contributed to the situation that led to the proceedings;
  - c. declaration of personal bankruptcy;
  - d. without prejudice to the presumption of innocence, civil lawsuits, administrative or criminal proceedings, large investments or exposures and loans taken out, in so far as they can have a significant impact on the financial soundness of the Supervisory Board member or entities owned or directed by him or her, or in which the member has a significant share.
4. A Supervisory Board member should uphold high standards of integrity and honesty. At least the following factors should also be considered in the assessment of reputation, honesty and integrity:

- a. any evidence that the person has not been transparent, open, and cooperative in his or her dealings with competent authorities;
- b. refusal, revocation, withdrawal or expulsion of any registration, authorisation, membership, or licence to carry out a trade, business, or profession;
- c. the reasons for any dismissal from employment or from any relationship of a similar nature;
- d. disqualification by any relevant competent authority from acting as a member of the management body;
- e. any other evidence that suggests that the person acts in a manner that is not in line with high standards of conduct.

### 13. ANNEX E – CRITERIA TO QUALIFY AS INDEPENDENT

The following are the situations that may contribute to determining that a Supervisory Board member is not independent. Note: the mere fact of meeting one or more situations below does not automatically disqualify a member's independence.

- (a) the member has or has had a mandate as a member of the management body in its management function within an institution within the scope of prudential consolidation, unless he or she has not occupied such a position for the previous 5 years;
- (b) the member is a controlling shareholder of the Bank or represents the interest of a controlling shareholder;
- (c) the member has a material financial or business relationship with the Bank;
- (d) the member is an employee of, or is otherwise associated with a controlling shareholder of the Bank;
- (e) the member is employed by any entity within the scope of consolidation, except when both of the following conditions are met:
  - I. the member does not belong to the Bank's highest hierarchical level, which is directly accountable to the management body;
  - II. the member has been elected to perform a function on the Supervisory Board in the context of a system of employees' representation and national law provides for adequate protection against abusive dismissal and other forms of unfair treatment;
- (f) the member has previously been employed in a position at the highest hierarchical level in the Bank or another entity within its scope of prudential consolidation, being directly accountable only to the Management Board, and there has not been a period of at least 3 years, between ceasing such employment and serving on the Supervisory Board;
- (g) the member has been, within a period of 3 years, a principal of a material professional adviser, an external auditor or a material consultant to the entity or another entity within the scope of prudential consolidation, or otherwise an employee materially associated with the service provided;
- (h) the member is or has been, within the last year, a material supplier or material customer of the entity or another entity within the scope of prudential consolidation or had another material business relationship, or is an senior officer of or is otherwise associated directly or indirectly with a material supplier, customer or commercial entity that has a material business relationship;
- (i) the member receives in addition to remuneration for his or her role and remuneration for employment in line with point (c) significant fees or other benefits from the entity or another entity within its scope of prudential consolidation;
- (j) the member served as member of the management body within the entity for 12 consecutive years or longer;
- (k) the member is a close family member of a member of the Management Board of the Bank or another entity in the scope of prudential consolidation or a person in a situation referred to under points (a) to (h).