

FINECO

B A N K

QUALITATIVE AND QUANTITATIVE COMPOSITION

OF THE BOARD OF DIRECTORS
OF FINECOBANK S.P.A.

Milan, March 11, 2020

FINECO. SIMPLIFYING BANKING.

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INTRODUCTION

In accordance with the contents of the Supervisory Provisions for Banks on Corporate Governance – Bank of Italy Circular No. 285 of 17 December 2013 (hereinafter the “**Supervisory Provisions for Banks**”), for the purposes of appointing or co-opting directors, banks’ boards are required to identify their composition, and the number of board members considered optimal for the effective fulfilment of their duties and their legal, regulatory and statutory responsibilities.

In line with the general principles of the Supervisory Provisions for Banks:

- A) in quantitative terms, the number of members of the Corporate Bodies must be sufficient in relation to the size, characteristics and complexity of the bank, in order to ensure the effective coverage of all company operations, in terms of management and control.
- B) from a qualitative perspective, the proper fulfilment of the functions that fall under the responsibility of the strategic bodies requires the presence on the board of persons who:
- are fully conscious of the powers and obligations linked to the functions that each of them is required to perform (supervision or management; executive and non-executive functions; independent members etc.);
 - have professional characteristics which are adequate for their role and their position on any board committees, and are appropriate considering the operational profile and size of the bank;
 - have diversified expertise, appropriately distributed among all the members, to allow each member to make an effective both as a member of the board committees and when taking board decisions, in order to identify and pursue strategies to ensure the effective governance of risks in every area of the bank;
 - who devote adequate time and resources to the complexity of their role, subject to the limits on the number of directorships as provided for in Directive 2013/36/EU of the Parliament and Council of 26 June 2013 on access to the activities of credit institutions and the prudential supervision of credit institutions and investment companies, amending Directive 2002/87/EC and repealing directives 2006/48/EC and 2006/49/EC (the “**CRD IV Directive**” or “**CRD IV**”);
 - direct their actions towards the pursuit of the bank’s general interest, regardless of the shareholder that voted for them or the list they were drawn from, and who exercise their independent judgement.

The Supervisory Provisions for Banks require attention to be paid to all the members, including the non-executive directors: the non-executive directors participate in the decisions taken by the Board as a whole, and are asked to perform an important role in terms of communicating, and

monitoring the decisions taken by the executive members. The authority and professionalism of the non-executive directors must be adequate to the effective exercise of these functions, which are decisive for the sound, prudent management of the bank: it is therefore essential that the body of non-executive directors must have, and express, adequate knowledge of the banking business, the dynamics of the economic and financial system, banking and financial regulation and, in particular, knowledge of risk control and management methods, as this type of knowledge is vital, if they are to perform their duties effectively.

The Supervisory Provisions for Banks also require that the members of the body performing strategic supervision must include independent individuals who oversee the management of the company using their own independent judgement, helping to ensure that the company is managed in the interests of the bank, and in accordance with the objectives of sound and prudent management. For larger or more complex banks, the presence within the specialised board committees (with examining, advisory and proposing functions) of this type of independent individual facilitates the taking of decisions, with particular reference to more complex areas, or areas in which there is a higher risk of a conflict of interest situation arising.

The objective of the Supervisory Provisions for Banks is to ensure that – both after the appointment process, which involves multiple bodies and functions (the appointments committee, if present; Board; Shareholders’ Meeting), and ongoing – the top management includes, at all times, persons who can ensure that their designated roles are performed efficiently. To this end, the professional skills necessary to achieve this result must be clearly defined *ex ante*, and possibly reviewed over time to take account of any emerging issues, and the selection of candidates must take into account these recommendations.

The Supervisory Authority requires that the outgoing members of the executive body must decide, in advance, the composition and number of members of the new board, which they consider to be optimal based on the regulatory objectives. In particular, theoretical candidate profiles must be outlined and justified, with details of the characteristics considered most appropriate for the duties to be performed on the Board of Directors (and on any internal board committees).

The guidelines for shareholders concerning the optimal composition and qualitative characteristics of the administrative body will be proposed in accordance with the contents of the Corporate Governance Code for Listed Companies ⁽¹⁾.

The applicable national and European laws are listed below, including any provisions not yet formally transposed into Italian law, and also “soft law”, as it is considered essential for these

⁽¹⁾ See Application Criterion 1.C.1, par. h), with regard to the communication to shareholders, by the Board of Directors, of the guidelines on the managerial and professional figures whose presence in the Board is deemed appropriate.

principles to be reflected in the candidate selection process:

- Art. 147-*quinquies* of Legislative Decree 58/1998 (“**TUF**”);
- Art. 36 of Decree Law No. 201 of 6 December 2011 “*Urgent measures for growth, equity and consolidation of public finances*” (the so called “*Save Italy*” decree) converted with amendments by Law no. 214 of 22 December 2011 (“*Interlocking Directorship*”);
- Ministerial Decree No. 161/1998 “*Regulations containing rules on identifying the integrity and professionalism requirements for the corporate officers of banks, and causes of suspension*” (the “**Ministerial Decree 161/1998**”);
- Ministerial Decree No. 162/2000 “*Regulations containing rules on stipulating the integrity and professionalism requirements for the members of the boards of statutory auditors of listed companies to be issued under Article 148 of Legislative Decree no. 58 dated 24 February 1998*” (the “**Ministerial Decree 162/2000**”);
- Part I, Title IV, Chapter 1, Section IV (Composition of corporate bodies) of the Bank of Italy Circular No. 285 of 17 December 2013 (the “**Supervisory Provisions for Banks**”);
- the Corporate Governance Code for listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana (Italian Stock Exchange), ABI (Italian Banking Association), Ania (Italian Association of Insurers), Assogestioni (Italian Association of the Investments Management Industry), Assonime (Association of Italian Joint Stock Companies) and Confindustria (General Confederation of Italian Industry) (the “**Corporate Governance Code**”);
- CRD IV and Regulation EU No. 575 of the European Parliament and Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the “**CRR**”);
- *EBA Guidelines on Internal Governance* (2017), which entered into force on 30 June 2018;
- *EBA/ESMA Joint Guidelines on identifying the suitability of members of strategic supervisory and management bodies the holders of key functions*, last published on 21 March 2018 and entering into force on 30 June 2018 (the “**EBA/ESMA Guidelines**”).

1. ASSESSMENT BY THE BOARD OF DIRECTORS OF FINECOBANK S.P.A. ON THE QUALI-QUANTITATIVE COMPOSITION OF ITS OWN ADMINISTRATIVE BODY

The mandate of the Board of Directors of FinecoBank S.p.A. (the “**Company**” or “**FinecoBank**” or the “**Bank**”) appointed on 11 April 2017 ends with the approval of the financial statements at 31 December 2019. The Shareholders will thus be asked to elect new directors at the next Shareholders’ Meeting.

The Extraordinary Shareholders’ Meeting on 18 February 2020 approved a series of proposed revisions of the Bank’s corporate governance in order to adapt it to the new shareholder structure following its exit from the UniCredit Group. Apart from further strengthening the requirements of the bank’s legal representatives, in line with Italian and European legislation and current practice,

the Board of Directors now has the right to submit its own list of candidates for the position of director, when the Board is re-elected. In this context, the participation and representation of the minority shareholders has been extended. Specifically, two directors will be allocated to the list that came second in terms of number of votes, while one director will be allocated to the list coming third by number of votes, provided that such list obtained at least 2% of the votes cast at the Shareholders' Meeting.

In view of this, and in consideration of the information given in the Introduction, the Board of Directors of FinecoBank has been asked to identify the theoretical profiles (including the characteristics of professionalism and independence) of the candidates, taking into account that their level of authority and professionalism must be adequate for the duties that the directors are asked to perform on the Board (and on any board committees), also considering the size and complex nature of the Company's operations.

The results of the self-assessment and peer review processes conducted over the past three years were also taken into account when preparing these profiles, as well as the experience gained during the present mandate, in terms of the activities and mode of operation of the Board and of its committees.

This document has been made available to the shareholders in good time for them to take this information into account, when selecting the candidates. This should nevertheless be without prejudice to the right for Shareholders to express different assessments regarding the optimal composition of the Board, giving reasons for any deviations from the Board's analysis.

1.1. Quantitative composition of the Board of Directors

As mentioned above, the Supervisory Provisions for Banks, along with the general considerations on the quantitative aspect of the board of directors, have introduced more specific provisions in this regard, which have been summarised below:

- for larger and more complex banks, the maximum number of directors is 15, except in exceptional cases which must be assessed and justified in detail;
- for larger or more complex banks, the strategic supervision body requires three committees specialising in "appointments", "risks", and "remuneration";
- each of these board committees must usually be formed of between three and five members, all of whom are non-executive and the majority must be independent. The committees must be differentiated by at least one member and, if a director was elected by minority shareholders, he must be part of at least one committee.

With regard to the Company, Art. 13 of the Articles of Association (as amended by the Extraordinary Shareholders' Meeting on 18 February 2020) provides that the Board be made up

of a minimum of nine up to a maximum of thirteen members. At the time of appointment of the Board currently in office, the Shareholders' Meeting resolved to set the number of its members at nine².

The Board's self-assessment process – which was conducted in accordance with the Supervisory Provisions for Banks and the provisions of the Corporate Governance Code adopted by the Company – revealed that **the Board needed to be increased to 11 members**, in view of the new role of parent company of the FinecoBank Banking Group, which was assumed by the Bank on 10 May 2019.

The recommended number of Board members appears consistent with an adequate numerical composition of the committees to be set up under the Supervisory Provisions for Banks, considering the extent and significance of their operations. The Board, also in line with the Supervisory Provisions for Banks and taking into account the experience gained during the last term of office, recommended that four internal board committees should be formed (namely *(i)* a Corporate Governance and Environmental and Social Sustainability Committee, *(ii)* an Appointments Committee, *(iii)* a Remuneration Committee, and *(iv)* a Risks and Related Parties Committee). It expressed the hope that each of these committees would only consist of independent directors in accordance with the TUF and the Corporate Governance Code. With reference to the number of Committee members, the Board considered the three-member configurations to be appropriate for the Remuneration Committee, the Corporate Governance, Environmental and Sustainability Committee and the Appointments Committee, whereas it considered the number of members should be raised to five, for the Risks and Related Parties Committee, in view of the increased activity in the area of risks, taking into account the Bank's new role of Parent Company.

Unlike with the existing mandate, the Board has chosen to form a separate committee with exclusive responsibility in the area of sustainability, particularly in view of the importance that this issue is now taking on, for the financial and banking industry.

In addition, also with regard to the quantitative definition, when submitting the lists, adequate consideration should be given to all of the above criteria, to guarantee the balanced composition of the Board.

1.2. Qualitative composition of the Board of Directors

In view of the framework outlined above, when formulating its recommendation to the Shareholders who will be submitting the lists of candidates, with regard to the professionalism

²The previous version of the Articles of Association provided that the Board must consist of a minimum of five to a maximum of thirteen members.

and expertise considered to be necessary for the optimal composition of the company's Board of Directors, the Board has reiterated the importance of:

- ensuring in the future that the Board has a balanced combination of profiles and experience, with preference to be given to having increased knowledge of the banking sector, and of strategic orientation, risks and controls, in view of the future challenges to be faced by the Bank;
- favouring aptitude profiles which will optimise the directors' fulfilment of their mandates;
- confirming a system of powers and authorities that qualifies the CEO as the only executive member of the board of directors, while assuring that the Board can verify the exercise of the powers granted;
- guarantying the communication aspect assured by the independent directors, based on the inclusion of an appropriate number of independents in the Board and in the Committee;
- recognising that the availability of time and resources is a key aspect of the effective fulfilment of the directors' role in the Board and in the Committees;
- promoting the existing diversity requirements, with particular regard to the international reach (regardless of nationality) and diversity of gender;
- assuring the diversity of seniority levels of the Directors, by acknowledging the value that comes from having different age groups in the Board.

1.2.1. Professional requirements

Subject to compliance with the legal requirements, the Board has outlined the optimal composition that will assure the most appropriate balance of experience and skills. The Board has defined a "table of skills" which illustrates the collective experience, knowledge and expertise it considers appropriate in order to obtain the optimal composition. It considers that the experience and knowledge illustrated in this table should be represented in the lists submitted for the re-election of the board, and that the distribution of this knowledge should be:

- very broad, namely possessed by at least three (3) candidates, with reference to the first skill group (from 1 to 8);
- broad, namely possessed by at least two (2) candidates, with reference to the second skill group (from 9 to 11).

TABLE OF SKILLS AND PROFESSIONAL BACKGROUND FOR MEMBERS OF THE BOARD OF DIRECTORS

	Very broad	Broad
1. KNOWLEDGE OF THE BANKING INDUSTRY AND OF THE RISK ASSESSMENT AND MANAGEMENT TECHNIQUES involved in the banking business, acquired through several years' experience in administration, direction and control in the financial sector;	X	
2. BUSINESS MANAGEMENT AND ORGANISATION EXPERIENCE , acquired through several years' activity in the administration, direction or control of large companies or groups;		X
3. CAPACITY TO INTERPRET THE FINANCIAL REPORTING DATA OF A FINANCIAL INSTITUTION , obtained through several years' experience in the administration and control of companies in the financial industry or in the exercise of professional activities or university lecturing;		X
4. GOVERNANCE EXPERTISE (auditing, legal, corporate, remuneration systems etc.), obtained through several years' experience in business management and control – with particular reference to the financial industry – in large companies, or in the exercise of professional activities or university lecturing;		X
5. KNOWLEDGE OF THE REGULATIONS PERTAINING TO THE BANKING AND FINANCIAL INDUSTRY , obtained through several years' experience with financial companies or supervisory bodies, or the exercise of professional		

activities or university lecturing;	X	
6. KNOWLEDGE OF THE GLOBAL DYNAMICS OF THE ECONOMIC AND FINANCIAL SYSTEM , obtained through significant experience within research institutions, business research offices or international bodies or regulatory authorities;	X	
7. EXPERIENCE AND KNOWLEDGE OF REFERENCE MARKETS WHERE FINECOBANK OPERATES , acquired through studies or research at research organizations or through years of experience in business or professional activities with institutions or bodies, groups or (public or private) companies, also with an international footprint;	X	
8. EXPERTISE IN COMPLIANCE , acquired through studies or professional experience gained from previous positions such as experience with compliance issues or within control bodies (including product control);	X	
9. INTERNATIONAL EXPERIENCE AND KNOWLEDGE OF INTERNATIONAL MARKETS WHERE FINECOBANK OPERATES , acquired through previous research or academic or professional experience;		X
10. KNOWLEDGE AND EXPERIENCE IN INFORMATION TECHNOLOGY , acquired through studies or practical professional experience gained from previous positions;		X
11. EXPERTISE IN SUSTAINABILITY , with a particular focus on strategic aspects and the management of risks with relevance to medium-long term sustainability, acquired also through studies or practical professional experience from		X

previous positions.

While each director must have a good level of knowledge and experience, preferably in two or more of the indicated areas, the Board recommends that all the areas of expertise indicated above should be represented on the administrative body, as the simultaneous presence of diverse experiences ensures the complementarity of the directors' profiles and favours dialogue and the efficiency functioning of the Board. In general, the directors should have an up to date knowledge of the business in which the Bank operates, and of its risks, at a level that gives them a sufficient understanding of the various areas.

Without affecting the foregoing, the Board also recommends that the proposed appointments formulated by the Shareholders should include at least one candidate per list who can be qualified as independent (as defined in para. 1.1.5 below), has qualified experience in chairing Control Bodies or Internal Controls and Risk Committees within banking, financial and insurance companies, so that they can effectively contribute to the governance of the Bank's risks; this is a task which the Bank of Italy, in its Supervisory Provisions for Banks, has identified as one of the main tasks belonging to the company bodies.

To enable shareholders to understand the skills of each candidate more easily, the Board requires the all candidacies to be accompanied by CVs and declarations signed by the candidates themselves, containing detailed evidence of their expertise in the various areas listed above.

1.2.2. Aptitude profiles

The Council also recommended that the following aptitude profiles be kept into consideration as they constitute the requirements for the role of Member of the Company's Board of Directors:

- goal orientation, collaboration and guidance skills, namely:
 - ability to analyse various issues from different perspectives and, therefore, to actively promote sharing and argumentation (premise of a collective and well-informed decision) by encouraging comparison and exchange of views and, to that effect, valuing all the skills and professionalism within the administrative body;
 - ability to enrich the Board's discussions with goal-oriented interventions aiming, in general, at pursuing the Company's development and business interests and at creating value for its Shareholders;
- decision-making ability, namely: ability to identify and pursue the issuer's strategic and business objectives, and to encourage such conduct.

In general, the Board favours those candidates who not only have high levels of professional

ability in the areas listed, but also have soft skills such as authenticity, the ability to “stand up”, communicate and be influential, leadership, spirit of collaboration, good judgement and in general, the other soft skills indicated in the EBA/ESMA Guidelines.

1.2.3. Dedication and availability of time

In view of the indications on the Supervisory Provisions for Banks, the availability of time and resources to dedicate to a directorship is – considering the nature and *status* of the position – a fundamental requirement for all prospective directors, also in terms of the activities involved in participating in the Board committee meetings, where applicable.

With reference to the Company’s specific context, for the purposes of information, please note that in each year of the three-year period 2017-2019, an average of 14 Board of Directors’ meetings were held per year, as well as 15 meetings of the Risks and Related Parties Committee, 11 meetings of the Remuneration Committee and approximately 9 meetings of the Corporate Governance, Appointments and Sustainability Committee. On average, each Board of Directors’ meeting lasted 2.5 hours, with 3 hours for the meetings of the Risks and Related Parties Committee, 2 hours for the Remuneration Committee, and finally 2 hours for the Corporate Governance, Appointments and Sustainability Committee meetings.

The time necessary to examine the documents sent ahead of each Board or committee meeting must also be considered, as well as the commitment required to attend events off-site, as well as informal and/or induction sessions.

The Board recommends that candidates accept a position if they consider that they will be able to dedicate the necessary time to it, taking into account the time allocated to other professional or working activities as well as other positions held at other companies.

The Board of Directors of FinecoBank has carried out an estimate, to be used as a benchmark to assess the minimum time considered necessary for effective attendance at meetings, in order to guarantee the proper functioning of the Board and the contribution of each member to Board discussions. This information is summarised below:

Chairman of the Board of Directors	50/60 days per year
Deputy Chairman of the Board	10 days per year ³
Chief Executive Officer	<i>full time</i>
Non-executive Director	20 days per year

(³) In addition to the time required to cover the role of non-executive director.

Member of the Risks and Related Parties Committee	12 days per year (6 days more per year, for the Chairman) ⁴
Member of the Remuneration Committee	6 days per year (3 days more per year, for the Chairman) ⁵
Member of the <i>Corporate Governance</i> , Environmental and Social Sustainability Committee	9 days per year (3 days more per year, for the Chairman) ⁶
Member of the Remuneration Committee	9 days per year (4/ 5 days more per year, for the Chairman) ⁷

1.2.4. Limits on the number of positions

The Boards of Directors are also required to comply with regulatory and statutory provisions governing the holding of positions within companies other than the Bank.

In accordance with Art. 91 of the Directive CRD IV, and as referred to in Article 13 paragraph 2 of the Articles of Association, members of the Board of Directors may hold the following positions simultaneously (within any type of company, apart from organisations that do not pursue mainly commercial objectives):

- 1 executive office and 2 non-executive offices, including their position at FinecoBank;
- 4 non-executive offices, including their position at FinecoBank,

it should also be noted that the following positions are considered as a single directorship: (a) executive or non-executive directorships held within the same group; and (b) executive or non-executive directorships held within companies in which the entity holds a qualified equity interest, including non-financial entities (⁸).

1.2.5. Incompatibility, ineligibility, forfeiture

Regarding the numerous causes of incompatibility, disqualification or forfeiture that may affect a candidacy and/or the holding or maintaining of a position – including but not limited to the

⁴() In addition to the time required to cover the role of non-executive director.

⁵() In addition to the time required to cover the role of non-executive director.

⁶() In addition to the time required to cover the role of non-executive director.

⁷() In addition to the time required to cover the role of non-executive director.

⁸) See Art. 4 of Regulation (EU) No. 575/2013.

circumstances referred to in Articles 2382 civil code and 187-*quater* TUF – shareholders are asked to pay particular attention to the prohibition on interlocking, which relates to interlocking positions in the credit and financial markets.

Specifically, in accordance with Article 36 of Decree Law 201 of 6 December 2011 converted with amendments by Law no. 214 of 22 December 2011 containing provisions on “*interlocking personal interests in the credit and financial markets*” and the prohibition on “*holders of positions on management, supervisory or control bodies and the top management of companies or groups operating on the credit, insurance and financial markets from holding or exercising similar positions in competing companies or groups*”, the Board of Directors recommends that the shareholders indicate candidates for whom it has already been verified that there are no grounds for incompatibility provided for in the above-mentioned law.

Finally, it should be noted that the laws on incompatibility for public servants and the holders of public offices (Legislative Decree 165/2001 as amended) must also be respected.

1.2.6. Statutory independence

In accordance with Article 13 paragraph 3 of the Articles of Association (as amended by the Extraordinary Shareholders’ Meeting of 18 February 2020) the majority of the members of the Board of Directors must meet the independence requirements as set out in the Corporate Governance Code.

In consideration of the above, the Board recommends that the Shareholders’ proposals be made in such a way as to ensure that the majority of the Board members meet the independence requirement as contained in Article 3 of the Corporate Governance Code and Article 13 paragraph 3 of the Articles of Association.

1.2.7. Independence of judgement

All the directors must be able to reach well-founded, objective independent decisions (they must be able to act with independence of judgement). Any conflict of interest situation may be relevant in this regard.

Apart from the cases of incompatibility provided for by law, the Board also considers that in order to fully preserve the autonomy of judgement of the Board members, the candidates must not hold – or accept – elected offices or positions in national and/or local government, nor on the committees or executive boards of political organisations and they must not be in a personal or financial situation that may create conflicts of interest or even potentially impede the directors’ independence of judgement.

1.2.8. Gender quotas

Art. 147-*ter*, paragraph 1-*ter*, TUF, as last amended by Law no. 160 of 27 December 2019 requires compliance with the principle of gender balance, whereby the less represented gender must be reserved at least two-fifths of the number of the elected members.

Each list submitted by the shareholders that contains 3 (three) or more candidates must be composed of candidates from both genders to ensure gender equality, of at least the minimum legal or regulatory rate, taking into account the provisions of Consob Communication no. 1/20 of January 30, 2020 for corporate bodies composed of three members.

1.2.9. Integrity and correctness requirements

Considering the importance that integrity requirements have, in terms of reputation, in accordance with the provisions of the Regulations of FinecoBank's Corporate Bodies, the Board recommends that candidates for the position of Director of the Bank not only meet the integrity requirements of Ministerial Decree 161/1998 and Ministerial Decree 162/2000 (by virtue of the reference made in Art. 147-*quinquies* TUF):

- they must not be – and must not have been in the past – in a situation that, having regard to the financial and economic activity of the candidates (or the companies they control, or hold direct or significant interests in) are or may be such that their reputation would be affected or there would be significant losses for the Bank;
- they have not acted in a way that, even if no criminal offence was committed, is not compatible with the position of director of the Bank or which may lead to seriously adverse consequences for the Bank in terms of its reputation.

Without affecting the above requirements, any lack of which will in itself result in forfeiture of office, the Board recommends that the candidates must fulfil specific correctness criteria in terms of their personal and professional conduct, in line with the EBA/ESMA Guidelines. In particular, all the factors pertaining to reputation and correctness must be borne in mind, including but not limited to: criminal proceedings, administrative penalties for violation of corporate, banking, financial, insurance, anti-money laundering laws, or regulations on markets and payment instruments, disqualification or precautionary measures ordered by the banking, financial and insurance regulators.

2. INDUCTION AND TRAINING

Finally, following up on the Bank of Italy's recommendations on the need for banks to adopt training programmes that guarantee an appropriate level of technical knowledge for the members of their corporate bodies, the Board hopes that future directors will benefit from an adequate

induction programme, as they have done in the past, particularly at the time of first appointment.

For each year of the three-year term, the Company has organised a series of ongoing training initiatives including sessions on the regulatory framework, issues of significance for the company, and those with strategic importance.

With this spirit, it is considered that in the future, the growing investment in training will be a decisive step towards a full understanding of scenarios, which are now becoming increasingly complex. It will also be a valuable opportunity to promote a sense of belonging to the Board, encouraging the Directors to become increasingly aware of their roles.

Annex A

Soft skills

This is a non-exhaustive list of the relevant skills referred to in paragraph 61 of the EBA/ESMA guidelines, which entities are required to consider when carrying out their assessments:

a. **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.

B. **Language:** is able to communicate orally in a structured and conventional way and write in the national language or the working language of the institutions' location.

c. **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.

D. **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.

e. **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.

f. **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, e.g. on products, office buildings or holdings, in circumstances where he or she is unable to gauge the risks properly owing to a lack of understanding of the architecture, 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.

g. **Leadership:** provides direction and guidance to a group, develops and maintains teamwork, motivates and encourages the available human resources and ensures that members of staff have the professional competence to achieve a particular goal. Is receptive to criticism and provides scope for critical debate.

h. **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.

- i. **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.
- j. **Negotiating:** identifies and reveals common interests in a manner designed to build consensus, while pursuing the negotiation objectives.
- k. **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.
- l. **Teamwork:** is aware of the group interest and makes a contribution to the common result; able to function as part of a team.
- m. **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.
- n. **Stress resistance:** is resilient and able to perform consistently even when under great pressure and in times of uncertainty.
- o. **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.
- p. **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.

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