

## Principles regarding corporate governance for 2022 in BCR and BCR Group

Banca Comercială Română SA (BCR), bank managed in a two-tier system, carries out its activity based on a corporate governance framework which is in line with the legal and regulatory requirements of the Romanian legislative framework, the Erste Group Bank AG Group guidelines, as well as the best international practices in the industry.

According to the corporate governance principles, in compliance with the provisions of the regulatory framework issued by the National Bank of Romania (NBR), the overall management structure and especially the supervisory function have the responsibility to establish, assess and periodically and systemically review: how the bank's activity is organized, the collective and individual competencies and responsibilities, how the implementation and application of the entire set of regulations, flows and control keys is monitored from the perspective of the undertaken mission and vision, how targets are achieved as per the business plans, how risks are efficiently managed.

The corporate governance principles are applicable at the BCR Group level, and BCR management body ensures that for BCR subsidiaries there is a proper corporate governance framework in place in order to meet all applicable governance requirements.

Within this framework, the assumed principles take into consideration that BCR is part of Erste Group Bank AG – one of the largest financial services suppliers from Central and Eastern Europe and comply with the corporate governance principles applicable at Group level.

### The principles of corporate governance at BCR level

#### • The structure of the Supervisory Board and Its committees

- The Supervisory Board also includes independent members. It has an appropriate mix of independent members and non-independent non-executive members to avoid one person or a small group of people dominating its decision-making process. The size and diversity of the board shall be commensurate with the sophistication and scale of the company. It has also established appropriate committees to assist the board in the effective performance of its duties
- The Supervisory Board membership is diverse, with relevant knowledge, independence, experience and diversity of perspectives in order to generate effective challenges and discussions as well as an objective decision-making process

#### • Transparency

- Transparency means openness, a willingness by the company to provide clear information to shareholders and other stakeholders. Transparency refers to the openness and willingness to disclose financial performance figures which are truthful and accurate.

## • Reporting and audit

- Permanent and high-quality supervision, high-quality and timely presentation to the shareholders of the information regarding the financial statements, strategic and operational performances, corporate governance and social factors
- A solid audit practice is essential for an activity with high-quality standards

## • Risk oversight

- Within the Bank there is a risk supervision system and an internal control system
- The Supervisory Board proactively oversees, reviews and approves the risk management approach on a regular basis or with any significant change in the business and ensures that it operates effectively

## • Responsibility

- The Company recognizes the rights of all interested parties permitted by applicable law and seeks to cooperate with such persons or companies for their own development and financial stability.
- Accountability goes hand in hand with responsibility. The Supervisory Board should be made accountable to the shareholders for the way in which the company has carried out its responsibilities.