

Principles regarding corporate governance for 2024

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

• Fair treatment of shareholders

- All shareholders have equal voting rights according to the number of their shares. The bank provides all shareholders with corporate information on an equal basis
- The bank provides fair information. Shareholders' voting rights are not violated. The bank provides sufficient, timely and equal information to all shareholders.

e

• Transparency

- The information is provided in easily understandable forms and means of communication, is freely available and directly accessible to those involved and affected and informed of the results arising from it;
- Whatever decision is taken, its application is made only in accordance with established rules and regulations.
- The executive management provides to the shareholders and other stakeholders clear, accurate and timely information, such as financial performance, conflicts of interest and risks.
- Through transparency, the stakeholders can have confidence in the company's decision-making and management processes

• Sustainability and Long-term Orientation

- The sustainability of the community is constantly taken into account.
- There is a broad and long-term perspective on the future of the local community along with a sense of what is needed for such development.
- There is an understanding of the historical, cultural and social complexities in which this perspective is grounded.

• Risk oversight

- Within the Bank operates a risk oversight and internal control system
- The Supervisory Board proactively oversees, reviews and approves the risk management approach on a regular basis or at any significant change in the business and ensures that it is working efficiently
- The Supervisory Board and the Management Board determine risks of all types and how best to control them. They act on these recommendations to manage them and inform all relevant parties of the existence and status of risks.

• Responsibility

- The company recognizes the rights of all stakeholders granted by the applicable law and seeks to cooperate with such persons or companies for its own development and financial stability.
- In short, the Management Board:
 - presents a balanced and understandable assessment of the company's position and prospects.
 - is responsible for determining the nature and extent of the significant risks it is willing to assume.
 - maintains robust systems of risk management and internal control.
 - establishes formal and transparent corporate reporting and risk management mechanisms and maintains an appropriate relationship with the company's auditor.
 - communicates to stakeholders at regular intervals a fair, balanced and understandable assessment of how the company achieves its business objective.