

No. 07/18.05.2020

From: Manfred Wimmer, Chairman of the BCR Supervisory Board

To: Ordinary General Meeting of Shareholders

Regarding: Discharge of the Supervisory Board members and the Management Board for the 2019 fiscal year

For:

- * Approval by the Ordinary General Meeting of Shareholders, according to the provisions of Art. 11.2, letter d) of the BCR SA Charter and of Art. 111, letter d) of Companies Law No. 31/1990, republished, with the subsequent amendments and additions
- * Acknowledgement of Mr. Brian O'Neill's demise

NOTE

A.

1. The argumentation and the legal framework of the proposal

According to Art. 11.2, letter d) of the BCR SA Charter and Art. 111, letter d) of Companies Law No. 31/1990, republished, amended and supplemented, the Ordinary General Meeting of Shareholders, which has on the agenda the approval of the financial statements for the previous fiscal year and the related documents, must analyze based on the documentation hereby the activity of the Supervisory Board members and of the Management Board, and make decisions on the latter's discharge for the previous fiscal year.

In accordance with the above requirements, together with the Annual Financial Statements for 2019: (i) separate for BCR and (ii) consolidated for BCR Group, drafted in compliance with the International Financial Reporting Standards and the financial auditors' report, the following documents have been drawn up and submitted to the Ordinary General Meeting of 26.06.2020 to be analyzed by the shareholders, consolidating, along with the financial statements, the evaluation of the activity of the Supervisory Board members and of the Management Board in 2019:

- The Administrators' separate and consolidated report for 2019, drafted in accordance with NBR Order 27/2010 with subsequent amendments and additions,
- The annual report drafted in accordance with Appendix 15 to FSA Regulation No. 5/2018;

2. The annual evaluation of the Supervisory Board members and of the Management Board members

In accordance with the legal requirements provided by the National Bank Regulation No. 5/2013, the European Banking Authority Guide/2012/06 and Companies Law No. 31/1990, transposed in BCR Internal Regulations, the annual suitability re-evaluation of the Supervisory Board members and of the Management Board for 2019 was performed, taking into account the following aspects:

- The structure, size, composition and collective performance of the Supervisory Board and the Management Board;
- The suitability of the Supervisory Board members and of the Management Board members, including the knowledge, skills and experience of each member, respectively of the Supervisory Board and the Management Board, as collective bodies.

The conclusions of the Nomination Committee were the following:

A. The Supervisory Board

- Given the general structure and size of the Bank, there is sufficient representation at the Bank level within the Supervisory Board, **noting that 1 position in the Supervisory Board is vacant.**

- All the necessary professional fields are covered by the current composition of the Supervisory Board and there is a sufficient diversity of experience;
- The average overall assessment of the collective performance of the Supervisory Board, performed by the members of the Supervisory Board is 3.88 out of 4;
- All Supervisory Board members meet the fit and proper criteria for holding Supervisory Board member positions in terms of knowledge, skills and experience;
- All Supervisory Board members are suitable for their positions in terms of reputation requirements;
- There are no current/potential conflicts of interest and/or incompatibilities brought to the Bank's attention, related to the Supervisory Board members;
- The Supervisory Board members are compliant with the minimum time commitment requirement, as well as with the requirements regarding the number of mandates to which they are entitled;
- An analysis was conducted on each Supervisory Board member, in accordance with the independence criteria mentioned in the Nomination Policy, and the conclusion was that 3 members of the Supervisory Board meet the required criteria, namely Mrs. Hildegard Gacek, Mrs. Elisabeth Krainer Senger - Weiss and Mrs. Daniela Nemoianu.
- Consequently, the Supervisory Board has a sufficient number of independent members and all the committees of the Supervisory Board are organized in accordance with the applicable regulatory requirements, including the European Banking Authority guidelines.

The documentation regarding the annual evaluation of the Supervisory Board members is attached to note hereby (Appendix 1).

B. The Management Board

- Given the general structure and size of the Bank, there is sufficient representation at the Bank level within the Management Board;
- All the necessary professional fields are covered by the current composition of the Management Board and there is a sufficient diversity of experience;
- The average overall score for the collective performance of the Management Board, as evaluated by the Nomination Committee is 3.80 out of 4;
- All Management Board members are deemed to be suitable for holding Management Board member positions in terms of knowledge and experience;
- All Management Board members are deemed to be suitable for holding Management Board member positions in terms of reputation requirements;
- There are no current/potential conflicts of interest and/or incompatibilities brought to the Bank's attention, related to the Management Board members;

The Management Board members are compliant with the minimum time commitment requirement, as well as with the requirements regarding the number of mandates to which they are entitled.

The documentation regarding the annual evaluation of the Management Board members was analyzed by the Nomination Committee and approved by the Supervisory Board on 27.03.2019.

2. The structure of the BCR Supervisory Board and Management Board between 01.01.2019 – 31.12.2019

During the 2019 fiscal year, the structure of the BCR SA Supervisory Board was the following:

Surname and first name	Period
Manfred Wimmer	01.01 – 31.12.2019
Andreas Treichl	01.01 – 31.12.2019
Gernot Mittendorfer	01.01 – 31.06.2019
Brian O'Neill	01.01 – 19.12. 2019
Hildegard Gacek	01.01 – 31.12.2019

Elisabeth Krainer Senger-Weiss	01.01 – 31.12.2019
Daniela Nemoianu Istocescu	10.07 – 31.12.2019

During the 2019 fiscal year, the structure of the BCR SA Management Board was the following:

Surname and first name	Period
Sergiu Manea	01.01 – 31.12.2019
Dana Dima (Demetrian)	01.01 – 31.12.2019
Ryszard Druzynski	01.01 – 31.12.2019
Michael Beitz	01.01 – 31.12.2019
Elke Meier	01.01 – 31.12.2019

3. Proposals

Considering that the approval of discharge of the Supervisory Board members and the Management Board is a decision connected to Companies Law No. 31/1990, with the approval of the financial statements for the previous fiscal year and based on:

- The Administrators' separate and consolidated report for 2019, drafted in accordance with NBR Order 27/2010 with subsequent amendments and additions,
- The report of the independent auditor to BCR SA shareholders on the BCR separate annual financial statements and on the BCR Group consolidated financial statements, drafted in accordance with IFRS for 2019;
- The annual report drawn up in accordance with Appendix 15 to FSA Regulation No. 5/2018;
- The documentation regarding the annual suitability evaluation of the Supervisory Board members and the Management Board.

We submit to the approval of the General Meeting of Shareholders the proposal to analyze the activity of the Supervisory Board and the Management Board members based on the above-mentioned documents and to approve the discharge for 2019 for:

- the Supervisory Board members in 2019: Mr. Manfred Wimmer, Mr. Andreas Treichl, Mr. Gernot Mittendorfer, Mr. Brian O'Neill, Mrs. Hildegard Gacek, Mrs. Elisabeth Krainer Senger-Weiss and Mrs. Daniela Nemoianu Istocescu;
- the Management Board members in 2019: Mr. Sergiu Manea, Mr. Ryszard Druzynsky, Mrs. Dana Dima (Demetrian), Mr. Michael Beitz and Mrs. Elke Meier.

B.

Given Mr. Brian O'Neill's demise in December 2019, BCR SA Ordinary General Meeting of Shareholders, acknowledges the end of Mr. Brian O'Neill's mandate as Supervisory Board member, following his death, which took effect starting with 20.12.2019, while the necessary formalities will be undertaken for the deregistration of the records related to the latter from the Trade Register.

Chairman of the Supervisory Board

Manfred Wimmer



Nomination Committee and Supervisory Board – No. 1/06.03.2020

From: Manfred Wimmer, BCR Supervisory Board Chairman
To: BCR Nomination Committee and Supervisory Board
Ref: **Annual assessment of the Supervisory Board members**
For: According to 2.3.2 of the Nomination Committee Internal Rules

NOTE

1. Legal/regulatory framework of the proposal and rationale

1.1. Legal/regulatory framework

The annual suitability assessment process of the Supervisory Board is governed by the following main provisions of the regulatory and legal framework including BCR's internal regulations:

- The Nomination Committee Internal Rules provides the duties and responsibilities related to this process, among which art 2.3.2 states the general framework as follows;
*“(iii) at least annually assesses the structure, size, composition and collective performance of the Management Board and Supervisory Board, respectively, and makes recommendations to the Supervisory Board with regard to any changes;
(iv) at least annually assesses the knowledge, skills and experience of individual members of the Management Board and Supervisory Board, respectively and of the Management Board and Supervisory Board collectively and reports to the Supervisory Board accordingly;*
- The provisions of the Nomination and suitability assessment policy for management body in BCR (hereinafter referred to as the “**Nomination Policy**”) stating that:
Art. 3.1.1. *“The members of the Management Body must be individually suitable at all times and the Bank should assess or re-assess their suitability, in particular:
a) when applying for authorization to take up the business;
b) when material changes to the composition of the Management Body occur,
c) on an ongoing basis in order to determine situations where a re-assessment should be performed”.*
- The provisions of the Procedure referring to the Suitability Assessment of BCR Management Body Members related to the on-going suitability to the responsibilities of their position/role and the assessed criteria (adequate knowledge, skills, theoretical & professional experience, reputation & honesty & integrity and governance).
“In this respect an annual suitability re-assessment process (procedure) flow will be performed by the end of April for the previous year”.
- The provisions of National Bank of Romania (“**NBR**”) Regulation No. 5/2013 reflected into BCR's internal regulations mentioned above;
- Joint ESMA & EBA/GL/2017/12 on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU.
- The legal provisions of Law 29/2015 modifying the provisions of EOG 99/2006 on credit institutions and capital adequacy regarding the rules for cumulating mandates for the management body members of a significant credit institution. Specifically, these members cannot stand in more than one of the following situations:
 - (a) Exercises a mandate for an executive position, simultaneously with two mandates for non-executive positions (non-executive mandates within a Group are considered a single

mandate);

(b) Exercises simultaneously four mandates for non-executive positions.

- The provisions of the Romanian Companies Law No. 31/1990, as republished and subsequently amended ("**Company Law**")

1.2. Annual assessment of the Supervisory Board and Supervisory Board's members

Given the above mentioned legal provisions and related BCR internal regulations, the Nomination Committee should analyse, assess and submit to the Supervisory Board the results of the analysis performed and its recommendations regarding the following aspects:

- a) the structure, size, composition and collective performance of the Supervisory Board; and
- b) the suitability of the Supervisory Board members, including the adequate knowledge, skills and experience of each member, respectively of the Supervisory Board as a collective body;

For this purpose, a process for re-assessing the Supervisory Board's members has been initiated, the analysis being focused on examining whether the members remain suitable taking into account the relevant events passed since the moment of NBR approval.

Referring to the assessment process, the Nomination Policy provides:

- the roles and responsibilities of each entity and corporate body within assessment/ re-assessment of suitability process applicable to Supervisory Board's members, and
- the suitability assessment/ re-assessment process, the criteria to be assessed/ re-assessed (e.g. reputation and experience criteria) as well as the steps within the process.

2. Assessment of the structure, size, composition and collective performance of the Supervisory Board

Save for the obligation of having each Supervisory Board's member permanently suitable, each credit institution should ensure that the Supervisory Board in its entirety works properly.

To this end, the Supervisory Body's structure, size, composition and collective performance should be periodically assessed.

2.1. Current composition and size

A. General

The Bank is managed in a two-tier management system (i.e. by the Management Board working under the supervision of the Supervisory Board) which assures the segregation of the management and supervisory functions.

According to art. 17.2 of BCR Charter, the Supervisory Board is composed of minimum five (5) members and maximum nine (9) members appointed by the Ordinary General Shareholders Meeting (OGSM) for a maximum three-year term, The structure currently approved by the OGSM on April 24th 2019 comprises 7 members.

Throughout 2019 the following changes in the Supervisory Board structure took place:

- The OGSM from April 24th 2019 also approved the appointment of Mrs. Daniela Camelia Nemoianu Istocescu as member of the Supervisory Board. Mrs. Nemoianu took over her position after receiving the NBR approval, on July 12th 2019;

- Mr. Gernot Mittendorfer resigned from the position of Supervisory Board member as of 30.06.2019;
- Mr. Andreas Treichl resigned from the position of Supervisory Board deputy chairman as of 31.12.2019;
- The OGSM as of September 2nd 2019 approved the appointment of Mrs. Alexandra Habeler-Drabek and Mr. Bernhard Spalt as members of the Supervisory Board. Both members took over their positions after receiving the NBR approval on February 21st 2020, respectively February 26th 2020
- BCR was informed on December 20th 2019 about the death of Mr. Brian O'Neill.

Considering Mr. Mittendorfer and Mr. Treichl's resignations, as well as Mr. O'Neill's death the current memo doesn't cover their assessment.

The current composition of Supervisory Board and its subordinated consultative committees is presented in the Appendix 1.

Considering the general structure and size of the Bank, it may be considered that there is sufficient representation at the Bank's level within the Supervisory Board, **noting that 1 position within the Supervisory Board is vacant.** To be noted that the Nomination Committee is currently identifying a candidate for this position and its appointment is expected to be submitted for approval in the OGSM to be held on April 27th 2020.

B. Supervisory Board Committees

The committee structure currently in place is presented in Appendix 1.

C. Special requirements for Supervisory Board and its Committees

- The Supervisory Board should comprise a sufficient number of independent members, to be determined, inter alia, based on the principle of proportionality. Following the individual re-assessment process, it came up that **Mrs. Hildegard Gacek, Mrs. Elisabeth Krainer Senger Weiss and Mrs. Daniela Camelia Nemoianu Istocescu**, members of the Supervisory Board, **met the independence criteria, representing 43% of the Supervisory Board members.**
- The Supervisory Board's committees (Audit Committee, Nomination Committee, the Risk and Compliance Committee, as well as the Remuneration Committee should include a majority of independent members, including the Chair. Following the assessment performed for each of the Supervisory Board committees, it came up that all the committees include a majority of independent members. **Following the death of Mr. Brian O'Neill, new chairmen have to be appointed for the Audit Committee and Remuneration Committee. This process is currently deployed and the new structure will be in place by end of March 2020.**
- The Chair of the Audit Committee shall hold specialty knowledge and experience for implementing the accounting principles and internal control processes; at least one member of the Audit Committee must hold relevant experience in implementing accounting principles or financial audit. Following the assessment performed for the Audit Committee, it came up that current committee members hold the above mentioned relevant experience. **Given the vacancy of chairman following Mr. O'Neill's death, Mrs. Daniela Nemoianu is currently under approval process for this position, her nomination covering the special knowledge and experience requirements for this position;**
- The members of the Audit Committee as a whole shall have recent practical experience and relevant in the financial markets or should have obtained, in previous activities, sufficient professional experience directly related to the activity on the financial markets. **Following the assessment performed for the Audit Committee, it came up that the current committee members hold the above mentioned relevant experience.**
- Members of the Risk and Compliance Committee must have, individually and collectively,

appropriate knowledge, skills/competencies and expertise to enable them to fully understand and monitor the risk management strategy, control practices and risk appetite of the credit institution. **Following the assessment performed for the Risk and Compliance Committee, it came up that all the committee members hold the above mentioned relevant experience.**

▪ The members of the Nomination Committee should have, individually and collectively, appropriate knowledge, skills and expertise concerning the selection process and suitability requirements, as well as the business of the bank in order to be able to assess the appropriate composition of the Management Body, including recommending candidates to fill management body vacancies. **Following the assessment performed for the Nomination Committee, it came up that all the committee members hold the above mentioned relevant experience.**

▪ The members of the Remuneration Committee should have individually and collectively appropriate knowledge, expertise and professional experience concerning remuneration policies and practices, risk management and control activities, namely with regard to the mechanism for aligning the remuneration structure to the credit institutions' risk and capital profiles. **Following the assessment performed for the Remuneration Committee, it came up that the committee members held the above mentioned relevant experience during the assessed period.**

2.2. Experience

The Supervisory Board members are ensuring a wide range of experience, comprising the following areas:

- banking and financial markets;
- regulatory framework and legal requirements;
- strategic planning and understanding of a credit institution's business strategy or business plan and accomplishment thereof;
- risk management;
- accounting and auditing;
- assessing the effectiveness of a credit institution's arrangements, creating and ensuring effective governance, oversight and controls and
- interpreting a credit institution's financial information, identifying key issues based on this information and appropriate controls and measures.

The level and area of experience and qualification are reflected in the CVs presented by each Supervisory Board member as well as the ongoing trainings and professional development of the Supervisory Board members.

All Supervisory Board members have relevant and long-term working experience in financial sector (ranging from 14 years to 38 years of experience in top credit institutions), including top management positions, with relevant achievements in their activity.

All the Supervisory Board members attended various training programmes, for the purpose of improving their skills and continuously meeting the relevant specific requirements attached to their position.

Consequently, one could construe that all necessary professional areas are covered by the current composition of the Supervisory Board and there is sufficient experience diversity.

2.3. Collective performance

In order to assess the collective performance of the Supervisory Board, each of the Supervisory Board members were asked to fill in a Supervisory Board Self-Assessment Questionnaire, split by various activity type and to rate the respective activities on a scale from 1 to 4, as per Self-assessment questionnaires included in Appendix 5 attached hereby.

Following the respective exercise, the average overall rating for the Supervisory Board collective performance as assessed by SB members is 3.88 from 4.

3. Annual suitability re-assessment of members of the Supervisory Board's members

In order to perform the annual re-assessment of suitability of each Supervisory Board member, the criteria, instruments, mechanisms mentioned under *Nomination Policy for Management Body and Key Function Holders in BCR* were considered.

To this end, the following documents were provided in relation to each of the Supervisory Board's members:

- Fit & Proper Affidavit;
- Updated CV;
- Reputational Risk Opinions.

All the documents mentioned above are attached hereto as Appendix 6.

3.1. Experience

Pursuant to the information made available by each Supervisory Board member under the relevant Fit & Proper Affidavit and their CVs and taking in account both the theoretical experience acquired through education and training and the practical relevant experience, namely the managerial competencies acquired in previously held positions, all SB members can be considered fit and proper for holding Supervisory Board's member positions.

3.2. Reputation

Regarding the reputation criteria, the BCR Compliance Division performed the necessary checks and issued for each member Reputational Risk Opinions declaring them suitable for the position of Supervisory Board's member from the perspective of the reputation requirements, included in Schedules B.

3.3. Governance criteria: Conflicts of interests. Incompatibilities.

Pursuant to the information provided by each Supervisory Board member, there are no conflicts of interests and/or incompatibilities, current and/or potential not having been brought to the Bank's attention. The conflicts of interests are monitored at the Bank's level by the Compliance function. To this end, all the current Supervisory Board members are considered to meet the relevant governance criterion.

3.4. Time commitment

3.4.1. Requirements regarding the minimum time commitment

According to *Nomination Policy*, the minimum time commitment required and expected for each of the Management Body's members is of 70% of the Supervisory Board's ordinary meetings/year;

In 2019 the Supervisory Board convened in 42 meetings, from which 5 ordinary meetings and 37 special meetings (decisions made through Brainloop application/perrollam procedure).

The attendance in the Supervisory Board meetings in the aforementioned period is presented below and a detailed status is given in Appendix 2:

- **Mr. Manfred Wimmer** attended 100% of the total number of meetings;
- **Mr. Andreas Treichl** attended 88.10% of the total number of meetings;
- **Mr. Gernot Mittendorfer** attended 33.33% of the total number of meetings (resigned on 30.06.2019);
- **Mr. Brian O'Neill** attended 7.14% of the total number of meetings;
- **Mrs. Hildegard Gacek** attended 95.24% of the total number of meetings;
- **Mrs. Elisabeth Krainer Senger Weiss** attended 92.86% of the total number of meetings;
- **Mrs. Daniela Camelia Nemoianu – Istocescu** attended 50% of the total number of meetings (mandate started 12.07.2019);

In addition, SB members who hold positions in the committees subordinated to Supervisory Board attended also the meeting of these committees. The Supervisory Board subordinated committees convened as follows: Audit Committee – 8 meetings, Risk and Compliance Committee – 31 meetings, Nomination Committee – 7 meetings, Remuneration Committee – 7 meetings.

3.4.2. Requirements regarding the mandates hold in other companies

According to paragraphs 2¹ - 2³ from article 108¹ from EGO no. 99/2006 transposed into Nomination Policy, the SB members cannot find themselves in more than one of the following situations:

- a) to exercise one mandate in an executive position, at the same time carrying out two mandates in non- executive positions;
- b) to exercise at the same time four mandates in non-executive positions.

The following are interpreted as a single mandate:

- a) mandates in executive or non- executive positions held within the same group;
- b) mandates in executive or non- executive positions held within credit institutions and investment companies which are members of the same institutional protection scheme, pursuant to the conditions under art. 113 para. (7) Of the EU Regulation (UE) no. 575/2013;
- c) mandates for executive or non-executive positions held within financial or non-financial institutions, within which the credit institution holds a qualified interest.

Also based on Company Law provisions an individual may not exercise at the same time more than 5 mandates of director and/or member of the Supervisory Board in joint stock companies headquartered in Romania.

The above provisions do not refer to the mandates held in organizations or entities that do not have predominantly commercial activities.

The mandates held by the Supervisory Board members (including BCR) are mentioned below and a detailed status is presented in Appendix 3:

- **Mr. Manfred Wimmer** holds 4 non-executive memberships within Erste Group (counted as 1 mandate, according to Law no. 29/2015);
- **Mrs. Hildegard Gacek** holds 1 non-executive membership within Erste Group;
- **Mrs. Elisabeth Krainer Senger Weiss** holds 2 non-executive membership within Erste Group (counted as 1 mandate, according to Law no. 29/2015), 2 non-executive membership within Gebruder Weiss Group and 1 executive position in Krainer Senger-Weiss Rechtsanwalts GmbH (counted as 1 executive mandate, according to Law no. 29/2015).
- **Mrs. Daniela Camelia Nemoianu Istocescu** holds 1 non-executive membership within Erste Group (counted as 1 mandate, according to Law no. 29/2015), 1 non-executive membership within Holde Agri Invest SA and 1 executive position in Nemoianu Law Firm.

Considering the following aspects:

- The information provided by each Supervisory Board member in Fit and Proper Affidavits and
- The provisions of Law no. 29/2015,

We may conclude that all Supervisory Board members are compliant with the requirements regarding the number of mandates allowed to be held, as provided by the Law no. 29/2015 for completion of EGO no. 99/2006 regarding credit institutions and capital adequacy.

3.5. Independence and Independence of mind

3.5.1 Independence of Supervisory Board members

The independence requirements for the Supervisory Board members are stipulated in the Nomination Policy and are consistent with the provisions of NBR Regulation no. 5/2013, the Company Law, Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the Management Body and key function holders.

Following the analysis conducted on each SB member pursuant to the independence criteria mentioned in the Nomination Policy, we may conclude the following:

Name/ Independency level	Level 1 Independency	Level 2 Independency
Manfred Wimmer - Chairman	Not Independent	Not Independent
Hildegard Gacek - member	Independent	Independent
Elisabeth Krainer Senger Weiss - member	Independent	Independent
Daniela Camelia Nemoianu Istocescu - member	Independent	Independent

The detailed analysis is presented in Appendix 4.

3.5.2 Independence of mind

The Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the Management Body and key function holders transposed in BCR Nomination Policy require that the members of the Management Body should have independence of mind.

Based on the information provided by each Supervisory Board member in the Fit & Proper Affidavit and on the Supervisory Board self – assessment questionnaire we can conclude that all the members act with independence of mind.

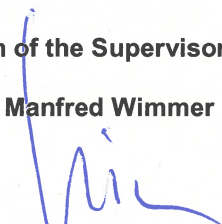
4. Proposals

In the light of the above, the proposal to analyse the above mentioned information is submitted to the Nomination Committee and the proposals and conclusions regarding the following aspects is submitted to the Supervisory Board:

- a) the structure, size, composition and collective performance of the Supervisory Board based on the information presented in the present note;
- b) the annual suitability re-assessment of the Supervisory Board members based on the criteria provided by the Nomination Policy, relevant documents, information and evidences presented in the present note and the schedules hereto.

Chairman of the Supervisory Board,

Manfred Wimmer



Appendix 1

Structure of Supervisory Board and subordinated committees throughout 2019

I. Supervisory Board

1.01-30.06.2019	1.07-11.07.2019	12.07-19.12.2019	20.12-31.12.2019
Manfred Wimmer – chairman	Manfred Wimmer – chairman	Manfred Wimmer – chairman	Manfred Wimmer – chairman
Andreas Treichl – deputy-chairman	Andreas Treichl – deputy-chairman	Andreas Treichl – deputy-chairman	Andreas Treichl** – deputy-chairman
Gernot Mittendorfer* – member	Brian O’Neill - member	Brian O’Neill*** - member	Hildegard Gacek – member
Brian O’Neill - member	Hildegard Gacek – member	Hildegard Gacek – member	Elisabeth Krainer Senger Weiss – member
Hildegard Gacek – member	Elisabeth Krainer Senger Weiss – member	Elisabeth Krainer Senger Weiss – member	Nemoianu Istocescu Daniela Camelia – member
Elisabeth Krainer Senger Weiss – member	Vacant position - member	Nemoianu Istocescu Daniela Camelia – member	Vacant position - member
Vacant position - member	Vacant position - member	Vacant position - member	Vacant position - member

*Mr. Gernot Mittendorfer resigned from the position of Supervisory Board member as of 30.06.2019

**Mr. Andreas Treichl resigned from the position of Supervisory Board deputy chairman as of 31.12.2019;

***BCR was informed on December 20th 2019 about the death of Mr. Brian O’Neill.

II. The Committees of the Supervisory Board

Audit Committee			
1.01-30.06.2019	1.07-18.09.2019	19.09-19.12.2019	20.12-31.12.2019
Brian O’Neill – Chair	Brian O’Neill – Chair	Brian O’Neill – Chair	Vacant position – Chair
Gernot Mittendorfer – Deputy Chair	Vacant position – Deputy Chair	Daniela Camelia Nemoianu Istocescu – Deputy Chair	Daniela Camelia Nemoianu Istocescu – Deputy Chair
Hildegard Gacek – Member	Hildegard Gacek – Member	Hildegard Gacek – Member	Hildegard Gacek – Member
Manfred Wimmer – Replacement member	Manfred Wimmer – Replacement member	Manfred Wimmer – Replacement member	Manfred Wimmer – Replacement member

Risk and Compliance Committee		
1.01-30.06.2019	1.07-18.09.2019	19.09-31.12.2019
Hildegard Gacek - Chair	Hildegard Gacek - Chair	Hildegard Gacek - Chair
Gernot Mittendorfer - Deputy Chair	Vacant position - Deputy Chair	Manfred Wimmer - Deputy Chair
Elisabeth Krainer Senger-Weiss - member	Elisabeth Krainer Senger-Weiss - member	Elisabeth Krainer Senger-Weiss - member
Manfred Wimmer – replacement member	Manfred Wimmer – replacement member	Vacant position – replacement member

Remuneration Committee	
1.01-19.12.2019	20.12-31.12.2019
Brian O’Neill – Chair;	Vacant position – Chair;
Andreas Treichl - Deputy Chair;	Andreas Treichl - Deputy Chair;
Elisabeth Krainer Senger-Weiss – member;	Elisabeth Krainer Senger-Weiss – member;
Manfred Wimmer – replacement member;	Manfred Wimmer – replacement member;

Nomination Committee

1.01-31.12.2019

Mr. Elisabeth Kraimer Senger-Weiss – Chair;

Mr. Andreas Treichl - Deputy Chair;

Mrs. Hildegard Gacek – member;

Mr. Manfred Wimmer – replacement member

Appendix 2

ATTENDANCE TO SUPERVISORY BOARD MEETINGS IN 2019

Member in Supervisory Board	Attendance in Supervisory Board meetings – physical presence (number)	Attendance in Supervisory Board meetings convened by other distance means of communication (number)	Attendance in Supervisory Board meetings (percentage %)
Manfred Wimmer	5	37	100%
Andreas Treichl	0	37	88.10%
Gernot Mittendorfer	1	13	33.33%
Hildegard Gacek	5	35	95.24%
Brian O'Neill	1	2	7.14%
Elisabeth Krainer Senger-Weiss	5	34	92.86%
Daniela Camelia Nemoianu istocescu	2	19	50%

- *Mrs. Nemoianu took over her position after receiving the NBR approval, on July 12th 2019;*
- *Mr. Gernot Mittendorfer resigned from the position of Supervisory Board member as of 30.06.2019;*
- *BCR was informed on December 20th 2019 about the death of Mr. Brian O'Neill.*

Appendix 3

SUPERVISORY BOARD MEMBERSHIP IN MANAGEMENT BODIES OF OTHER COMPANIES

Name and position in BCR Supervisory Board	Membership in other administrative, management or supervisory bodies of companies/partnerships	
	Name of relevant company/partnership	Position held
Manfred Wimmer - Chairman	Erste Bank Hungary Zrt	Supervisory Board Chairman
	DIE ERSTE österreichische Spar-Casse Privatstiftung	Supervisory Board Deputy Chairman
	Salzburger Sparkasse Bank AG	Supervisory Board Member
Name and position in BCR Supervisory Board	Membership in other administrative, management or supervisory bodies of companies/partnerships	
	Name of relevant company/partnership	Position held
Hildegard Gacek - Member		
Name and position in BCR Supervisory Board	Membership in other administrative, management or supervisory bodies of companies/partnerships	
	Name of relevant company/partnership	Position held
Elisabeth Krainer Senger Weiss - Member	Krainer Senger-Weiss Rechtsanwalts GmbH	Partner
	Erste Group Bank AG	Member of the Supervisory Board
	Gebruder Weiss Holding AG	Deputy Chairman of the Supervisory Board
	Gebruder Weiss GmbH	Deputy Chairman of the Supervisory Board
	GW Immobilien GmbH	Managing director
	Krainer & Co. Immobilienverwaltungs	Managing director
Name and position in BCR Supervisory Board	Membership in other administrative, management or supervisory bodies of companies/partnerships	
	Name of relevant company/partnership	Position held
Daniela Camelia Nemoianu Istocescu	Nemoianu Law Firm	Attorney at law
	Todor, Istocescu & Vintila SCA law firm	External consultant
	American Chamber of Commerce in Romania	Board member
	Teach for Romania	Board member
	Overseas Security Advisory Council, US Embassy in Romania (non profit)	Co-chair, pro bono mandate
	Holde Agri Invest SA	Advisory Board member

Note: The above information is based on the Fit and Proper Affidavits by each of the BCR Supervisory Board members. *The memberships in non-profit organizations are not considered mandates in the meaning of article 108¹ from EGO no. 99/2006.

MINUTES NO. 7/20.03.2020
of the joint meeting of the
SUPERVISORY BOARD
of
BANCA COMERCIALA ROMANA SA
And its committees

Concluded on **March 20th, 2020**, on the occasion of the joint meeting of the Supervisory Board of BCR and its committees, convened according to the provisions of art. 18.1 of BCR Charter and of art. 2.4.2 of Supervisory Board Internal Rules related to regular meetings. The meeting was held between **09:30 – 11:00 (Vienna time)**, through teleconference.

In the beginning of the debates Mr. Manfred Wimmer mentioned that, considering the current constraints and measures in force for limiting the spread of COVID-19, the BCR Supervisory Board decided to hold today's proceedings through teleconference and to structure the format in a joint meeting together with all its committees. For this purpose, all the items which were previously included only for the committees' agenda were added on the updated Supervisory Board joint meeting agenda.

The meeting proceedings were attended by the following members:

- **Supervisory Board:** Mr. Manfred Wimmer – chairman, Mrs. Alexandra Habeler Drabek – deputy chairman, Mr. Bernhard Spalt, Mrs. Hildegard Gacek, Mrs. Daniela Nemoianu and Mrs. Elisabeth Krainer Senger-Weiss - members;
- **Audit Committee:** Mrs. Daniela Nemoianu – chairman, Mr. Bernhard Spalt – deputy chairman, Mrs. Hildegard Gacek – member, Mr. Manfred Wimmer – replacement member;
- **Risk and Compliance Committee:** Mrs. Hildegard Gacek – chairman, Mrs. Alexandra Habeler Drabek – deputy chairman, Mrs. Elisabeth Krainer Senger Weiss – member, Mr. Manfred Wimmer – replacement member;
- **Nomination Committee:** Mrs. Elisabeth Krainer Senger Weiss – chairman, Mrs. Alexandra Habeler Drabek – deputy chairman, Mrs. Hildegard Gacek – member, Mr. Manfred Wimmer – replacement member;
- **Remuneration Committee:** Mrs. Elisabeth Krainer Senger Weiss – chairman, Mr. Bernhard Spalt – deputy chairman, Mrs. Daniela Nemoianu – member, Mr. Manfred Wimmer – replacement member.

According to art. 18.6 of the BCR Charter and art. 2.4.8.1 of the Supervisory Board Internal Rules the joint meeting was validly convened.

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*Regarding the documents presented under chapter 6 of the agenda – **NOMINATION & REMUNERATION**, the Supervisory Board and its committees decided the following:*

6.1 Annual suitability assessment of the Supervisory Board (no. 1/6.03.2020)

The members of the Nomination Committee analysed the following the aspects within the annual assessment of the Supervisory Board, respectively:

- 1) Assessment of the structure, size, composition and collective performance of the Supervisory Board; and
- 2) Annual suitability re-assessment of members of the Supervisory Board members in terms of experience, reputation, incompatibilities, conflicts of interest, time commitment and independence.

A preliminary process of re-assessing the Supervisory Board's members in office had been

conducted based on the current regulatory and legal framework as well as internal regulations applicable at BCR's level. To this end, the following documents were provided in relation to each of the Supervisory Board's members and are included in the forwarded documentation:

- Fit & Proper Affidavits,
- Updated CVs,
- Supervisory Board Self-Assessment Questionnaires issued by Supervisory Board members and
- Reputational Risk Opinions issued by BCR Compliance Division.

After analysing the above mentioned criteria based upon the submitted documentation (self-assessment questionnaires, Fit & Proper affidavit, updated CV's, reputational risk opinions, analysis of the meetings attendance, analysis of the member's independence), the Nomination Committee concluded that:

-) Given the general structure and size of the Bank, there is sufficient representation at the Bank's level within the Supervisory Board, **noting that 1 position within the Supervisory Board is vacant.**
-) All necessary professional areas are covered by the current composition of the Supervisory Board and there is sufficient experience diversity;
-) The average overall rating for the Supervisory Board collective performance as assessed by the Supervisory Board members is 3.88 from 4;
-) All the Supervisory Board members are considered fit and proper for holding Supervisory Board member position from knowledge, skills and experience perspective;
-) All the Supervisory Board members are suitable for their positions from the perspective of the reputation requirements;
-) There are no current and/or potential conflicts of interests and/or incompatibilities brought to the Bank's attention related to the Supervisory Board members;
-) The Supervisory Board members are compliant with the minimum time commitment requirement as well as with the requirements regarding the number of mandates allowed to be held;
-) An analysis was conducted on each Supervisory Board member pursuant to the independence criteria mentioned in the Nomination Policy and the conclusion was that 3 Supervisory Board's members meet the required criteria, namely Mrs Hildegard Gacek, Mrs. Elisabeth Krainer Senger – Weiss and Mrs Daniela Nemoianu.
-) Consequently, the Supervisory Board has a sufficient number of independent members and all the Supervisory Boards committees are organized in compliance with the applicable regulatory requirements including EBA guidelines.

The conclusions of the annual assessment of the Supervisory Board members as resulted from the debates as well as the related documentation were unanimously acknowledged by Supervisory Board and will be further submitted to the General Shareholders meeting together with the year end 2019 financial statements.

6.2 Annual suitability assessment of the Management Board (no. 2/6.03.2020)

In order to support the Nomination Committee analysis, a preliminary process of re-assessing the Management Board members has been conducted.

For this purpose the necessary documents were provided in relation to each of the Management Board member, 7 days prior to the meeting and are attached to the submitted note that comprises and presents the results and conclusions of the Nomination Committee in terms of the suitability assessment process, namely:

- Fit & Proper Affidavits,
- Updated CVs,
- Criminal record and Fiscal record,

- Self-Assessment of Experience Questionnaires,
- Reputational Risk Opinions issued by BCR Compliance Division and
- Collective assessment questionnaire).

The members of the Nomination Committee analysed the following the aspects within the annual assessment of the Management Board, respectively:

- 1) the structure, size, composition and collective performance of the Management Board; and
- 2) the suitability of the Management Board members, including the knowledge, skills and experience of each member, respectively of the Management Board as a collective body;

After analysing the above mentioned criteria and based upon the submitted documentation, the Nomination Committee concludes that:

-) Given the general structure and size of the Bank, there is sufficient representation at the Bank's level within the Management Board.
-) All necessary professional areas are covered by the current composition of the Management Board and there is sufficient experience diversity;
-) The average overall rating for the Management Board collective performance as assessed by the Nomination Committee members is 3.80 from 4;
-) All Management Board members can be considered fit and proper for holding Management Board member positions from knowledge and experience perspective;
-) All the Management Board members are suitable for their positions from the perspective of the reputation requirements;
-) There are no current and/or potential conflicts of interests and/or incompatibilities brought to the Bank's attention related to the Management Board members;
-) The Management Board members are compliant with the minimum time commitment requirement as well as with the requirements regarding the number of mandates allowed to be held.

The documentation will be further submitted to the Supervisory Board approval in per rollam procedure and to the General Shareholders meeting together with the year end 2019 financial statements.

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Nomination Committee and Supervisory Board – No. 2/06.03.2020

From: Manfred Wimmer, BCR Supervisory Board Chairman
To: BCR Nomination Committee and Supervisory Board
Ref: **Annual assessment of the Management Board members**
For: According to 2.3.2 of the Nomination Committee Internal Rules

NOTE

1. Rationale and legal/regulatory framework of the proposal

1.1 Background and rationale

The following provisions were considered:

- According to art. 2.3.2 of the Nomination Committee Internal Rules, the Nomination Committee has the following duties and responsibilities:

“(iii) at least annually assesses the structure, size, composition and collective performance of the Management Board and Supervisory Board, respectively, and makes recommendations to the Supervisory Board with regard to any changes;

“(iv) at least annually assesses the knowledge, skills and experience of individual members of the Management Board and Supervisory Board, respectively and of the Management Board and Supervisory Board collectively and reports to the Supervisory Board accordingly;

- The provisions of the Nomination and suitability assessment policy for management body in BCR (hereinafter referred to as the “**Nomination Policy**”) stating that:

Art. 3.1.1. *“The members of the Management Body must be individually suitable at all times and the Bank should assess or re-assess their suitability, in particular:*

- a) when applying for authorization to take up the business;*
- b) when material changes to the composition of the Management Body occur,*
- c) on an ongoing basis in order to determine situations where a re-assessment should be performed”.*

- The provisions of the Procedure referring to the Suitability Assessment of BCR Management Body Members related to the on-going suitability to the responsibilities of their position/role and the assessed criteria (adequate knowledge, skills, theoretical & professional experience, reputation & honesty & integrity and governance).

“In this respect an annual suitability re-assessment process (procedure) flow will be performed by the end of April for the previous year”.

- The provisions of National Bank of Romania (“**NBR**”) Regulation No. 5/2013 reflected into BCR’s internal regulations mentioned above;
- Joint ESMA & EBA/GL/2017/12 on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU.

- The legal provisions of Law 29/2015 modifying the provisions of EOG 99/2006 on credit institutions and capital adequacy regarding the rules for cumulating mandates for the Supervisory Board members and Management Board members of a significant credit institution. Specifically, these members cannot stand in more than one of the following situations:
 - (a) Exercises a mandate for an executive position, simultaneously with two mandates for non-executive positions (non-executive mandates within a Group are considered a single mandate);
 - (b) Exercises simultaneously four mandates for non-executive positions.
- The provisions of the Romanian Companies Law No. 31/1990, as republished and subsequently amended ("**Company Law**")

1.2 Annual assessment of the Management Board and Management Board's members

Given the above mentioned legal provisions and related BCR internal regulations, the Nomination Committee should analyse, assess and submit to the Supervisory Board the results of the analysis performed and its recommendations regarding the following aspects:

- a) the structure, size, composition and collective performance of the Management Board; and
- b) the suitability of the Management Board members, including the knowledge, skills and experience of each member, respectively of the Management Board as a collective body;

For this purpose, a process for assessing the Management Board's members in office has been initiated, based on the current regulatory and legal framework as well as internal regulations applicable at BCR's level.

In this respect, the Nomination Policy provides:

- the roles and responsibilities of each entity and corporate body within assessment/ re-assessment of suitability process applicable to Management Board's members, and
- the suitability assessment/ re-assessment process, the criteria to be assessed/ re-assessed (e.g. reputation and experience criteria) as well as the steps within the process.

2. Assessment of the structure, size, composition and collective performance of the Management Board

Save for the obligation of having each Management Board member permanently suitable, each credit institution should ensure that the Management Board in its entirety works properly.

To this end, the Management Board structure, size, composition and collective performance should be periodically assessed.

2.1 Current composition and size

The Bank is managed in a two-tier management system (i.e. by the Management Board working under the supervision of the Supervisory Board) which assures the segregation of the management and supervisory functions.

The Management Board is composed of 5 (five) members appointed by the Supervisory Board for a maximum four-year term, according to art. 20.1 of BCR Charter.

The composition of the Management Board as of December 31st 2019 was:

- Sergiu Cristian Manea (CEO),
- Elke Meier (CFO),
- Frank Michael Beitz (CRO),
- Ryszard Druzynski (COO)
- Dana Dima (VP Retail & Private Banking).

Considering that Mr. Michael Beitz's mandate ended as of December 31st 2019, the SB appointed Mrs. Ilinka Kajgana, in the meeting of the SB of 14.06.2019, as executive vicepresident of BCR, coordinator of the Risk Functional Line starting with January 1st 2020.

Considering the general structure and size of the Bank the Management Board's size and structure is considered suited to cover the Bank's needs.

2.2 Experience

The Management Board's members are ensuring a wide range of expertise and a significant experience, comprising the following areas:

- Banking and financial markets;
- Regulatory framework and requirements;
- Strategic planning and understanding of a credit institution's business strategy or business plan;
- Risk management, assessing the effectiveness of a credit institution's arrangements, ensuring effective governance, oversight and control;
- Remuneration policies and practices;
- Accounting and auditing;
- Interpreting a credit institution's financial information and key performance indicators;
- Internal control processes, accounting principles (including financial audit);
- Basic understanding of the company law.

The level and area of experience and qualification are reflected in the Self-Assessment of Experience and CVs presented by each Management Board member as well as the ongoing trainings and professional development of the Management Board members.

Considering last year's membership of the Management Board, all members had relevant expertise and long-term working experience in financial sector (ranging from 20 years to 28 years of experience in top credit institutions), including top management positions, with relevant achievements in their activity.

During 2019, all the Management Board members attended various training programmes, for the purpose of improving their skills and continuously meeting the relevant specific requirements attached to their position. The trainings performed within the assessed period are detailed in each Management Board's member CV.

Consequently, it can be noted that all necessary professional areas are covered by the current composition of the Management Board and there is sufficient expertise diversity with relevant experience.

2.1.3 Collective performance

In order to assess the collective performance of the Management Board, each of the Nomination Committee members filled in an Assessment Questionnaire regarding Management Board activity and rated each item on a scale from 1 to 4, as per Appendix 1 attached hereby.

Following the respective exercise, the average overall rating for the Management Board collective performance is **3.80 of a maximum 4**.

3 Annual suitability re-assessment of members of the Management Board

In order to perform the annual re-assessment of suitability of each Management member, the criteria, instruments, mechanisms mentioned under *Nomination Policy for Management Body in BCR* and under *Regulation Procedure referring to the suitability assessment of BCR Management Body members* were considered.

To this end, the following documents were provided in relation to each of the Management Board's members, except for Mr. Michael Beitz (mandate ended as of December 31st, 2019):

- Fit & Proper Affidavit;
- Updated CV;
- ID copy;
- Criminal and fiscal record;
- Reputation Risk Opinion;
- Self-Assessment of Experience;

All the documents mentioned above are attached hereto as Appendix 1.

3.1 Experience

Pursuant to:

- the information made available by each Management Board member under the relevant Fit & Proper Affidavit, the Self-Assessment of Experience and their CVs and taking in account both the theoretical knowledge acquired through education and training and the practical relevant experience, namely the managerial competencies acquired in previously held positions,
- The previous assessment of Mr. Michael Beitz performed for the year 2018;

All Management Board members are considered fit and proper for holding Management Board member positions.

3.2. Reputation, honesty and integrity. Incompatibilities. Conflicts of interests

Pursuant to the information provided by each Management Board member, there are no conflicts of interests and/or incompatibilities, current and/or potential which have not been brought to the Bank's attention. Moreover, the suitability of each Management Board member's was also assessed by BCR Compliance Division based on the evidence regarding the good reputation criterion (Fit & Proper Affidavit, Reputational Risk Assessment, etc.). The conflicts of interests and reputational risks are monitored at the Bank's level by the Compliance function. To this end, all the current Management Board members are considered to meet the relevant governance and reputation, honesty and integrity criteria.

3.3 Time commitment

According to the Nomination Policy for Management Body in BCR the required time allocation from each member of the Management Board is 8 hours/day.

The mandates held by the Management Board members in other companies are detailed in their Fit & Proper Affidavit at the date of December 31st 2019. The status of their mandates is summarized below:

- **Mr Sergiu Cristian Manea** held 3 non-executive memberships within Erste Group (counted as 1 mandate, according to Law no. 29/2015) and 1 non-executive mandate outside Erste Group;
- **Mrs Elke Meier** – held 3 non-executive memberships within Erste Group (counted as 1 mandate, according to Law no. 29/2015).
- **Mr Michael Beitz** held 4 non-executive memberships within Erste Group (counted as 1 mandate, according to Law no. 29/2015).
- **Mrs. Dana Luciana Dima** held 2 non-executive memberships within Erste Group (counted as 1 mandate, according to Law no. 29/2015) and 1 non-executive mandates outside Erste Group;
- **Mr. Ryszard Ferdynand Druzynski** held 2 non-executive memberships within Erste Group (counted as 1 mandate, according to Law no. 29/2015);

BCR performed an analysis regarding the minimum time allocation of each member of the Management Board members at BCR Group level attached hereto as Appendix 2 leading to the conclusion that the members are able to dedicate enough time and to assure the needed resources for accomplishing the tasks related to their mandates, namely:

- Mr. Sergiu Manea allocated minimum 8.43 h / day;
- Mrs. Elke Meier allocated minimum 8.41 h / day;
- Mr. Michael Beitz allocated minimum 8.41 h / day;
- Mrs. Dana Dima allocated minimum 8.42 h / day;
- Mr. Ryszard Druzynski allocated minimum 8.16 h / day.

Taking into consideration the following:

- the information made available by each Management Board member under the relevant Fit & Proper Affidavit;
- the time allocation analysis and
- the Law no. 29/2015 for completion of EGO no. 99/2006 regarding credit institutions and capital adequacy, entered into force on March 15th, 2015;

All Management Board members are compliant with the requirements regarding the number of mandates allowed to be held, as provided by the Law no. 29/2015 for completion of EGO no. 99/2006 regarding credit institutions and capital adequacy and with the time commitment requirements.

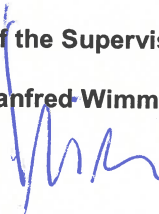
4. Proposals

In the light of the above, the proposal to analyse the above mentioned information is submitted to the Nomination Committee and the proposals and conclusions regarding the following aspects is submitted to the Supervisory Board for approval:

- a) the structure, size, composition and collective performance of the Management Board based on the information presented in the present note;
- b) the annual suitability re-assessment of the Management Board members, individually as well as collectively, based on the criteria provided by the Nomination Policy, relevant documents, information and evidences presented in the present note and the Appendixes hereto.

Chairman of the Supervisory Board,

Manfred Wimmer



BCR MANAGEMENT BOARD (MB) COLLECTIVE ASSESSEMENT QUESTIONNAIRE

CRITERIA		RATING				AVERAGE FINAL RATING
A	MANAGEMENT BOARD ACTIVITY	1	2	3	4	
A1	Overall management framework	The MB did not set up an overall management framework for the Bank's activity.	The overall management framework for the Bank's activity is set up and implemented but does not ensure proper and prudent management of the Bank.	The overall management framework for the Bank's activity is implemented and ensures proper and prudent management of the Bank, but does not include formal rules for segregation of duties and avoidance of conflicts of interest.	The overall management framework for the Bank's activity is working efficiently, ensuring proper and prudent management of the Bank, and applying formal policies and measures for segregation of duties within the Bank and measures to avoid conflicts of interest.	4
A2	Overall business strategy and strategic objectives	The MB did not define the overall business strategy and strategic objectives.	The MB defined and implemented the overall business strategy without setting up specific strategic objectives and without properly considering the applicable legal and regulatory framework.	The MB defined and implemented the overall business strategy and strategic objectives deriving from it, but did not take into account properly the long-term financial interests and solvency requirements.	The MB defined and implemented efficiently a coherent and detailed overall business strategy and the corresponding strategic objectives which take into account the long term financial interest and solvency requirements, as well as full compliance with applicable legal and regulatory framework.	4
A3	Overall risk strategy	The MB did not define the overall risk strategy.	The MB defined and implemented the overall risk strategy without observing the risk tolerance/ appetite levels and the risk management framework. The amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the Bank have been approved.	The MB defined the overall risk strategy and observed the risk tolerance/ appetite levels and the risk management framework, but these are not sufficiently clear and the implementation is not efficient.	The MB defined and implemented efficiently the overall risk strategy which observes the risk tolerance/ appetite levels and its risk management framework.	4
A4	Organizational structure	The MB did not define and implement an adequate organisational structure.	The MB defined and implemented an organizational structure, but this does not enable organizational efficiency or support the bank's strategy.	The MB defined and implemented an adequate organizational structure, but this partly enables organizational efficiency or support the bank's strategy.	The MB defined and implemented an adequate organizational structure which enables organizational efficiency, includes proper reporting channels and supports the bank's strategy.	4
A5	Internal Control framework	The MB did not define and implement an adequate internal control framework.	The MB defined an internal control framework, however this has not been implemented completely / efficiently.	The MB defined and implemented an adequate internal control framework which operates efficiently in most cases.	The MB defined and implemented an adequate internal control framework which proved to be operating efficiently both in business as usual cases as well as in more sensitive situations.	4
A6	Financial reporting and accounting framework	The MB did not define and implement an adequate financial reporting and accounting framework.	The MB defined and implemented a financial reporting and accounting framework, however it does not function efficiently.	The MB defined and implemented an adequate financial reporting and accounting framework, which functions efficiently in most cases.	The MB defined and implemented an adequate financial reporting and accounting framework, which proved to function at very high quality standards and represents an efficient instrument for MB.	4
A7	Governance principles	The MB did not define the governance principles and corporate values of the bank.	The MB defined and implemented the governance principles and corporate values of the Bank, but these are not translated in operational policies and not fully observed.	The MB defined and implemented the governance principles and corporate values of the Bank, including a code of conduct. These are translated in most of the internal rules and procedures.	The MB defined and implemented efficiently the governance principles and corporate values of the Bank, including a code of conduct. They are incorporated in all operational rules and procedures and provide a coherent corporate governance framework.	3
A8	Nomination and Remuneration framework	The MB did not define and implement a nomination and succession policy for the key function holders, nor a remuneration framework.	The MB defined a nomination and succession policy for the key function holders, and a remuneration framework, but did not implemented it properly.	The MB defined and implemented a nomination and succession policy for the key function holders, and a remuneration framework in line with Erste Group standards observing legal local requirements.	The MB defined and implemented a nomination and succession policy for the key function holders, and a remuneration framework in line with Erste Group standards observing local legal requirements. The remuneration framework is efficiently correlated with the risk strategy of the Bank.	4
B	MANAGEMENT BOARD MEMBERSHIP	1	2	3	4	

BCR MANAGEMENT BOARD (MB) COLLECTIVE ASSESSEMENT QUESTIONNAIRE

CRITERIA		RATING				AVERAGE FINAL RATING
B1	Skills, knowledge, expertise of the MB members	The MB members' knowledge and competences are missing and are not complementary.	Only certain MB members have the professional expertise required for the company management activities.	Each MB member has expertise in a certain field, different from the others, however, their areas of expertise do not complete each other.	The MB members' combination of professional expertise is well adapted to the company challenges and plans.	4
B2	The structure and size of the Management Board	The MB membership fails to reflect diversity in any relevant field (personal and professional traits, expertise, independence, age, sex etc). The number of MB members is inadequate (too few or too many members).	The MB membership is partially diverse (personal traits etc). The number of MB members is the outcome of a compromise, which does not allow for a long-term adequate membership.	The MB membership is diverse (personal traits etc), but not all members are mutually complementary. The number of MB members is adequate and appropriate for the appointment of members in the MB committees, if necessary.	The MB membership is diverse from all points of view (personal traits etc) and reflects an adequate combination of individuals, so as to prevent "herd-type behaviour". The number of MB members is optimal and allows their appointment in the MB committees, along with an appropriate combination of the members, with different fields, in order to satisfy the level of company growth and the management requirements.	4
B3	Team work	The members are fully independent in exercising their functions, there is no team.	The MB works as a team, but the members often stand out and take decision without evaluating/ taking into account the overall impact on the bank.	The MB works as a team, the members rarely stand out and take decision without evaluating/ taking into account the overall impact on the bank.	The MB is a trustworthy team body, in which all decisions are jointly adopted, irrespective of the differences of opinions and positions.	4
B4	Independence/Independence of mind	The members are acting effectively to assess and challenge the proposed decisions, rarely ask certain questions and are rarely able to resist group-thinking	The members are acting with courage to assess and challenge the proposed decisions, rarely ask certain questions, being in the majority of cases able to resist group-thinking	The members are acting with courage, conviction to assess and challenge the proposed decisions, ask certain questions, being in the majority of cases able to resist group-thinking	The members are acting with courage, conviction and strength to effectively assess and challenge the proposed decisions, ask questions and are fully able to resist group-thinking	3
B5	The reputation, honesty and integrity of the Management Board	The members don't have a good reputation and rarely act according to a set of principles, with honesty and integrity	The members have a good reputation and most of the times act according to a set of principles, with honesty and integrity	The members have a very good reputation and act according to a set of principles, with honesty and integrity	The members have an excellent reputation and act by strong principles and values, in full honesty, showing moral uprightness and integrity	4

Overall rating average interpretation

Average rating score	Rating significance	Explanation
[1 - 2]	Below expectations	The overall activity of the MB shows that the management body doesn't fulfill its role and responsibilities; the MB membership doesn't ensure the required skills, knowledge, expertise and the independence criteria; poor quality of the MB meetings in terms of agenda, calling formalities and discussions
[2 - 3]	meet expectations	The overall activity of the MB shows that the management body fulfills its responsibilities; the MB membership ensures the required skills, knowledge, expertise and the independence criteria; adequate quality of the MB meetings in terms of agenda, calling formalities and discussions
[3 - 4]	exceeds expectations	The overall activity of the MB shows that the management body exceeds expectations in fulfilling its responsibilities and its supervisory role; all MB members have the required skills, knowledge, expertise and the independence criteria is met; excellent quality of the MB meetings in terms of agenda, calling formalities and discussions

14.10.2020

BCR MANAGEMENT BOARD (MB) COLLECTIVE ASSESSEMENT QUESTIONNAIRE

CRITERIA		RATING				AVERAGE FINAL RATING
A	MANAGEMENT BOARD ACTIVITY	1	2	3	4	
A1	Overall management framework	The MB did not set up an overall management framework for the Bank's activity.	The overall management framework for the Bank's activity is set up and implemented but does not ensure proper and prudent management of the Bank.	The overall management framework for the Bank's activity is implemented and ensures proper and prudent management of the Bank, but does not include formal rules for segregation of duties and avoidance of conflicts of interest.	The overall management framework for the Bank's activity is working efficiently, ensuring proper and prudent management of the Bank, and applying formal policies and measures for segregation of duties within the Bank and measures to avoid conflicts of interest.	4
A2	Overall business strategy and strategic objectives	The MB did not define the overall business strategy and strategic objectives.	The MB defined and implemented the overall business strategy without setting up specific strategic objectives and without properly considering the applicable legal and regulatory framework.	The MB defined and implemented the overall business strategy and strategic objectives deriving from it, but did not take into account properly the long-term financial interests and solvency requirements.	The MB defined and implemented efficiently a coherent and detailed overall business strategy and the corresponding strategic objectives which takes into account the long term financial interest and solvency requirements, as well as full compliance with applicable legal and regulatory framework.	4
A3	Overall risk strategy	The MB did not define the overall risk strategy.	The MB defined and implemented the overall risk strategy without observing the risk tolerance/ appetite levels and the risk management framework. The amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the Bank have been approved.	The MB defined the overall risk strategy and observed the risk tolerance/ appetite levels and the risk management framework, but these are not sufficiently clear and the implementation is not efficient.	The MB defined and implemented efficiently the overall risk strategy which observes the risk tolerance/ appetite levels and its risk management framework.	4
A4	Organizational structure	The MB did not define and implement an adequate organisational structure.	The MB defined and implemented an organizational structure, but this does not enable organizational efficiency or support the bank's strategy.	The MB defined and implemented an adequate organizational structure, but this partly enables organizational efficiency or support the bank's strategy.	The MB defined and implemented an adequate organizational structure which enables organizational efficiency, includes proper reporting channels and supports the bank's strategy.	4
A5	Internal Control framework	The MB did not define and implement an adequate internal control framework.	The MB defined an internal control framework, however this has not been implemented completely / efficiently.	The MB defined and implemented an adequate internal control framework which operates efficiently in most cases.	The MB defined and implemented an adequate internal control framework which proved to be operating efficiently both in business as usual cases as well as in more sensitive situations.	4
A6	Financial reporting and accounting framework	The MB did not define and implement an adequate financial reporting and accounting framework.	The MB defined and implemented a financial reporting and accounting framework, however it does not function efficiently.	The MB defined and implemented an adequate financial reporting and accounting framework, which functions efficiently in most cases.	The MB defined and implemented an adequate financial reporting and accounting framework, which proved to function at very high quality standards and represents an efficient instrument for MB.	4
A7	Governance principles	The MB did not define the governance principles and corporate values of the bank.	The MB defined and implemented the governance principles and corporate values of the Bank, but these are not translated in operational policies and not fully observed.	The MB defined and implemented the governance principles and corporate values of the Bank, including a code of conduct. These are translated in most of the internal rules and procedures.	The MB defined and implemented efficiently the governance principles and corporate values of the Bank, including a code of conduct. They are incorporated in all operational rules and procedures and provide a coherent corporate governance framework.	4
A8	Nomination and Remuneration framework	The MB did not define and implement a nomination and succession policy for the key function holders, nor a remuneration framework.	The MB defined a nomination and succession policy for the key function holders, and a remuneration framework, but did not implement it properly.	The MB defined and implemented a nomination and succession policy for the key function holders, and a remuneration framework in line with Erste Group standards observing legal local requirements.	The MB defined and implemented a nomination and succession policy for the key function holders, and a remuneration framework in line with Erste Group standards observing local legal requirements. The remuneration framework is efficiently correlated with the risk strategy of the Bank.	4
B	MANAGEMENT BOARD MEMBERSHIP	1	2	3	4	

BCR MANAGEMENT BOARD (MB) COLLECTIVE ASSESSEMENT QUESTIONNAIRE

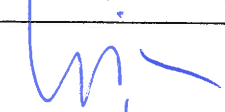
CRITERIA		RATING				AVERAGE FINAL RATING
B1	Skills, knowledge, expertise of the MB members	The MB members' knowledge and competences are missing and are not complementary.	Only certain MB members have the professional expertise required for the company management activities.	Each MB member has expertise in a certain field, different from the others, however, their areas of expertise do not complete each other.	The MB members' combination of professional expertise is well adapted to the company challenges and plans.	4
B2	The structure and size of the Management Board	The MB membership fails to reflect diversity in any relevant field (personal and professional traits, expertise, independence, age, sex etc). The number of MB members is inadequate (too few or too many members).	The MB membership is partially diverse (personal traits etc). The number of MB members is the outcome of a compromise, which does not allow for a long-term adequate membership.	The MB membership is diverse (personal traits etc), but not all members are mutually complementary. The number of MB members is adequate and appropriate for the appointment of members in the MB committees, if necessary.	The MB membership is diverse from all points of view (personal traits etc) and reflects an adequate combination of individuals, so as to prevent "herd-type behaviour". The number of MB members is optimal and allows their appointment in the MB committees, along with an appropriate combination of the members, with different fields, in order to satisfy the level of company growth and the management requirements.	3
B3	Team work	The members are fully independent in exercising their functions, there is no team.	The MB works as a team, but the members often stand out and take decision without evaluating/ taking into account the overall impact on the bank.	The MB works as a team, the members rarely stand out and take decision without evaluating/ taking into account the overall impact on the bank.	The MB is a trustworthy team body, in which all decisions are jointly adopted, irrespective of the differences of opinions and positions.	3

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15/2/2020

BCR MANAGEMENT BOARD (MB) COLLECTIVE ASSESSEMENT QUESTIONNAIRE

CRITERIA		RATING				AVERAGE FINAL RATING
		1	2	3	4	
A	MANAGEMENT BOARD ACTIVITY					
A1	Overall management framework	The MB did not set up an overall management framework for the Bank's activity.	The overall management framework for the Bank's activity is set up and implemented but does not ensure proper and prudent management of the Bank.	The overall management framework for the Bank's activity is implemented and ensures proper and prudent management of the Bank, but does not include formal rules for segregation of duties and avoidance of conflicts of interest.	The overall management framework for the Bank's activity is working efficiently, ensuring proper and prudent management of the Bank, and applying formal policies and measures for segregation of duties—within the Bank and measures to avoid conflicts of interest.	4
A2	Overall business strategy and strategic objectives	The MB did not define the overall business strategy and strategic objectives.	The MB defined and implemented the overall business strategy without setting up specific strategic objectives and without properly considering the applicable legal and regulatory framework.	The MB defined and implemented the overall business strategy and strategic objectives deriving from it, but did not take into account properly the long-term financial interests and solvency requirements.	The MB defined and implemented efficiently a coherent and detailed overall business strategy and the corresponding strategic objectives which takes into account the long term financial interest and solvency requirements, as well as full compliance with applicable legal and regulatory framework.	4
A3	Overall risk strategy	The MB did not define the overall risk strategy.	The MB defined and implemented the overall risk strategy without observing the risk tolerance/ appetite levels and the risk management framework. The amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the Bank have been approved.	The MB defined the overall risk strategy and observed the risk tolerance/ appetite levels and the risk management framework, but these are not sufficiently clear and the implementation is not efficient.	The MB defined and implemented efficiently the overall risk strategy which observes the risk tolerance/ appetite levels and its risk management framework.	4
A4	Organizational structure	The MB did not define and implement an adequate organisational structure.	The MB defined and implemented an organizational structure, but this does not enable organizational efficiency or support the bank's strategy.	The MB defined and implemented an adequate organizational structure, but this partly enables organizational efficiency or support the bank's strategy.	The MB defined and implemented an adequate organizational structure which enables organizational efficiency, includes proper reporting channels and supports the bank's strategy.	3
A5	Internal Control framework	The MB did not define and implement an adequate internal control framework.	The MB defined an internal control framework, however this has not been implemented completely / efficiently.	The MB defined and implemented an adequate internal control framework which operates efficiently in most cases.	The MB defined and implemented an adequate internal control framework which proved to be operating efficiently both in business as usual cases as well as in more sensitive situations.	3
A6	Financial reporting and accounting framework	The MB did not define and implement an adequate financial reporting and accounting framework.	The MB defined and implemented a financial reporting and accounting framework, however it does not function efficiently.	The MB defined and implemented an adequate financial reporting and accounting framework, which functions efficiently in most cases.	The MB defined and implemented an adequate financial reporting and accounting framework, which proved to function at very high quality standards and represents an efficient instrument for MB.	4
A7	Governance principles	The MB did not define the governance principles and corporate values of the bank.	The MB defined and implemented the governance principles and corporate values of the Bank, but these are not translated in operational policies and not fully observed.	The MB defined and implemented the governance principles and corporate values of the Bank, including a code of conduct. These are translated in most of the internal rules and procedures.	The MB defined and implemented efficiently the governance principles and corporate values of the Bank, including a code of conduct. They are incorporated in all operational rules and procedures and provide a coherent corporate governance framework.	4
A8	Nomination and Remuneration framework	The MB did not define and implement a nomination and succession policy for the key function holders, nor a remuneration framework.	The MB defined —a nomination and succession policy for the key function holders, and a remuneration framework, but did not implement it properly.	The MB defined and implemented a nomination and succession policy for the key function holders, and a remuneration framework in line with Erste Group standards observing legal local requirements.	The MB defined and implemented a nomination and succession policy for the key function holders, and a remuneration framework in line with Erste Group standards observing local legal requirements. The remuneration framework is efficiently correlated with the risk strategy of the Bank.	4
B	MANAGEMENT BOARD MEMBERSHIP					
B1	Skills, knowledge, expertise of the MB members	The MB members' knowledge and competences are missing and are not complementary.	Only certain MB members have the professional expertise required for the company management activities.	Each MB member has expertise in a certain field, different from the others, however, their areas of expertise do not complete each other.	The MB members' combination of professional expertise is well adapted to the company challenges and plans.	4

B2	The structure and size of the Management Board	The MB membership fails to reflect diversity in any relevant field (personal and professional traits, expertise, independence, age, sex etc). The number of MB members is inadequate (too few or too many members).	The MB membership is partially diverse (personal traits etc). The number of MB members is the outcome of a compromise, which does not allow for a long-term adequate membership.	The MB membership is diverse (personal traits etc), but not all members are mutually complementary. The number of MB members is adequate and appropriate for the appointment of members in the MB committees, if necessary.	The MB membership is diverse from all points of view (personal traits etc) and reflects an adequate combination of individuals, so as to prevent "herd-type behaviour". The number of MB members is optimal and allows their appointment in the MB committees, along with an appropriate combination of the members, with different fields, in order to satisfy the level of company growth and the management requirements.	4
B3	Team work	The members are fully independent in exercising their functions, there is no team.	The MB works as a team, but the members often stand out and take decision without evaluation/taking into account the overall impact on the bank.	The MB works as a team, the members rarely stand out and take decision without evaluation/taking into account the overall impact on the bank.	The MB is a trustworthy team body, in which all decisions are jointly adopted, irrespective of the differences of opinions and positions.	3
B4	Independence/ Independence of mind	The members are acting effectively to assess and challenge the proposed decisions, rarely ask certain questions and are rarely able to resist group-thinking	The members are acting with courage to assess and challenge the proposed decisions, rarely ask certain questions, being in the majority of cases able to resist group-thinking	The members are acting with courage, conviction to assess and challenge the proposed decisions, ask certain questions, being in the majority of cases able to resist group-thinking	The members are acting with courage, conviction and strength to effectively assess and challenge the proposed decisions, ask questions and are fully able to resist group-thinking	4
B5	The reputation, honesty and integrity of the Management Board	The members don't have a good reputation and rarely act according to a set of principles, with honesty and integrity	The members have a good reputation and most of the times act according to a set of principles, with honesty and integrity	The members have a very good reputation and act according to a set of principles, with honesty and integrity	The members have an excellent reputation and act by strong principles and values, in full honesty, showing moral uprightness and integrity	4
Overall rating average Interpretation						
	Average rating score	Rating significance	Explanation			
	[1 - 2]	Below expectations	The overall activity of the MB shows that the management body doesn't fulfil its role and responsibilities; the MB membership doesn't ensure the required skills, knowledge, expertise and the independence criteria; poor quality of the MB meetings in terms of agenda, calling formalities and discussions			
	[2 - 3]	meet expectations	The overall activity of the MB shows that the management body fulfils its responsibilities; the MB membership ensures the required skills, knowledge, expertise and the independence criteria; adequate quality of the MB meetings in terms of agenda, calling formalities and discussions			
	[3 - 4]	exceeds expectations	The overall activity of the MB shows that the management body exceeds expectations in fulfilling its responsibilities and its supervisory role; all MB members have the required skills, knowledge, expertise and the independence criteria is met; excellent quality of the MB meetings in terms of agenda, calling formalities and discussions			


 February 06/2020

MINUTES No. 8/27.03.2020
of
THE SUPERVISORY BOARD
of
BANCA COMERCIAL ROMAN SA

Concluded on **March 27th, 2020**, on the occasion of the regular meeting of the Supervisory Board of Banca Comercial Română SA, convened by other distance means of communication, according to the provisions of article 2.4.5 of BCR SA Supervisory Board Internal Rules.

The documents were sent through electronic means of communication to all the members of the Supervisory Board and the following members expressed their vote: Mr. Manfred Wimmer – Chairman, Mrs. Alexandra Habeler – Drabek – deputy chairman, Mr. Bernhard Spalt, Mrs. Hildegard Gacek, Mrs. Elisabeth Krainer Senger - Weiss and Mrs. Daniela Nemoianu - members, which secures the observance of quorum and majority requirements according to article 18.6 of BCR SA Charter and to article 2.4.8 of the BCR SA Supervisory Board Internal Rules.

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1. Annual suitability assessment of the Management Board (no. 2/6.03.2020)

The Supervisory Board unanimously reviewed the conclusions of the Nomination Committee, namely:

-) Given the general structure and size of the Bank, there is sufficient representation at the Bank's level within the Management Board.
-) All necessary professional areas are covered by the current composition of the Management Board and there is sufficient experience diversity;
-) The average overall rating for the Management Board collective performance as assessed by the Nomination Committee members is 3.80 from 4;
-) All Management Board members can be considered fit and proper for holding Management Board member positions from knowledge and experience perspective;
-) All the Management Board members are suitable for their positions from the perspective of the reputation requirements;
-) There are no current and/or potential conflicts of interests and/or incompatibilities brought to the Bank's attention related to the Management Board members;
-) The Management Board members are compliant with the minimum time commitment requirement as well as with the requirements regarding the number of mandates allowed to be held.

Considering the submitted documentation and the conclusions of the the assessment of the Nomination Committee, the Supervisory Board unanimously approved the proposals and conclusions regarding the following aspects:

- a) the structure, size, composition and collective performance of the Management Board based on the information presented in the present note;
 - b) the annual suitability re-assessment of the Management Board members, individually as well as collectively, based on the criteria provided by the Nomination Policy, relevant documents, information and evidences presented in the present note and the Appendixes hereto.
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