

## QUALIFICATION REQUIREMENTS

for candidates to the Supervisory Board of JSC «Oschadbank»

### 1. Fitness and properness

#### 1.1. Education

Minimum requirements	Advantages
Higher education	<ul style="list-style-type: none"><li>- higher education in economics and (or) finance;</li><li>- additional education in management (governance), law;</li><li>- professional certification in financial management / financial analysis / accounting / tax / audit / risk management</li><li>- knowledge of Ukrainian and English</li></ul>

#### 1.2. Work experience

Minimum requirements	Advantages
<ul style="list-style-type: none"><li>- at least three years of experience in banking or finance;</li><li>- at least three years of experience at managerial positions in banking and/or finance</li></ul>	<ul style="list-style-type: none"><li>- at least five years of experience in banking or finance;</li><li>- at least five years of experience at managerial positions in banking and/ or finance;</li><li>- at least three years of experience in the bank's management or executive bodies;</li><li>- experience at managerial positions in public sector enterprises and entities operating in sectors relevant to the bank</li></ul>

#### 1.3. Ability to commit enough time to the performance of the duties, namely:

- ability to devote to at least 50 working days during a year serve on the board;
- ability to attend the bank's board meetings to be held in Kyiv, when security situation allows such a meeting to be held in Kyiv ;
- to have sufficient time to participate in the supervisory board's work not only during meetings, but also to properly study the materials for the Supervisory Board meetings.

#### 1.4 The absence of actual or potential conflict of interest that may endanger the proper exercise of duties by a Board member.

**1.5. Conformity with restrictions imposed by Article 26 of the Law of Ukraine “On Prevention of Corruption”, Articles 39, 42 of the Law of Ukraine “On Banks and Banking” and Article 65 of the Law of Ukraine “On the National Bank of Ukraine.**

**1.6. Possessing knowledge of corporate governance and banking, and their regulation and sustainable development.**

**1.7. Possessing at least two competencies, special knowledge identified in the bank’s Supervisory Board profile matrix.**

**Supervisory Board profile matrix – JSC «Oschadbank»**

<b>Competencies</b>	<b>Minimum number of Supervisory Board members possessing relevant competencies</b>
Strategic and change management, including Crisis management	at least two persons
Legal	at least one person with higher education in Law
Treasury	at least one person
Corporate business	at least two persons, one of which having experience in organizing / structuring the financing of strategic public enterprises
Retail banking business	at least two persons
MSME banking business	at least two persons
Investment / Project Finance, including financing critical infrastructure investment projects	at least two persons, one of which having professional experience in infrastructure financing, energy, transport and logistics, agribusiness
IT and security	at least one person with additional professional education in IT
Digital banking/payments services	at least one person
Problem assets resolution, including litigation	at least one person
Finance and audit	at least two persons, one of which having practical track record in audit, financial reporting and accounting of at least three years
Risk governance	at least two persons, one of which having at least five years of practical experience
Compliance	at least one person with higher education in Law
Corporate governance and HR management	at least two persons, one of which having practical experience in management/executive bodies and (or) as HR director/partner in a company specialising in HR consulting and (or) experience as HR director/manager

**Competencies of the Supervisory Board – JSC «Oschadbank»**

Strategic and change management, including crisis management	2
Legal	1
Treasury	1
Corporate business, objects of critical infrastructure	2
Retail banking business	2
MSME banking business	2
Investment / Project Finance, including financing critical infrastructure investment projects	2

Trade finance	-
International cooperation	-
IT and security	1
Digital banking/payments services	1
Problem assets resolution, including forensic and litigation	1
Finance and audit	2
Risk governance	2
Compliance	1
Corporate governance and HR management	2
<b>Total</b>	<b>22</b>

## 2. Business reputation requirements

### 2.1. Absence of signs of faulty business reputation related to compliance with the law and public order

A person has a criminal record that has not been expunged or removed in the manner prescribed by law, for crimes against property, crimes in the sphere of economic activity, crimes in the sphere of official activity and professional activity related to the provision of public services, regardless of their severity, as well as for the commission of other intentional crimes, if such crimes under the law of the country in which the person was convicted of the crime, classified as crimes of medium gravity, serious or especially serious crimes	-
Application of sanctions against a person by Ukraine, foreign states (except for states that carry out armed aggression against Ukraine), intergovernmental associations or international organizations (applied during the term of sanctions and within three years after their abolition or expiration).	-
Inclusion of a person in the list of persons connected with terrorist activities or in respect of whom international sanctions have been applied (applied during the period of a person's stay in the list and for 10 years after his/her exclusion from it)	-
Deprivation of a person of the right to hold certain positions or engage in certain activities in accordance with a sentence or other court decision (applied during the term of such punishment)	-
Improper performance by a person of obligations to pay taxes, fees or other obligatory payments, if the total amount of non-payment is equal to or exceeds 100 times the minimum monthly wage established by the legislation of Ukraine for the period in which the violation was committed, or the equivalent in foreign currency, hereinafter - a material breach of tax obligations (applied during the term of that breach and within three years after its elimination)	-

### 2.2. Absence of signs of faulty business reputation related to implementation of financial obligations

Improper performance by a person of obligations to pay taxes, fees or other obligatory payments, which is not a significant violation of tax obligations (applied during the term of this violation)	-
Violation (non-performance or improper performance) by a person of an obligation of a financial nature, the amount of which exceeds UAH 300,000 (or the equivalent of this amount in foreign currency) and the period of violation exceeds 30 consecutive days, before any bank or other legal entity or natural person in the last three years	-

### 2.3. Absence of signs of faulty business reputation related to professional activities

Termination of powers (dismissal) of a person at the request of a state body during the last three years [except for termination of powers (dismissal) at the request of the National Bank in connection with its decision to refuse to approve a person for the position of a bank executive, head of internal audit, chief risk manager, chief compliance manager]	-
Dismissal of a person over the past five years for a systematic or one-time gross violation by a person of his/her official duties and/or labor regulations, violation of anti-corruption legislation, embezzlement, abuse of power/official position or other offense	-
Occupation by a person of the position/positions of the bank executive or head of internal audit of the bank, chief risk manager, chief compliance manager (acting) in aggregate for more than six months without the approval of the National Bank of the person for such a position/positions on the day of the seventh month after the day of election (appointment) of a person to a position (in case of holding several positions or one position several times without the consent of the National Bank after the day of election (appointment) of a person to the first of such positions) and within three years from the date of elimination of this violation]	-
Providing false information to the National Bank by a person, which, in the professional judgment of the National Bank, influenced or could influence the decision of the National Bank (applies within three years from the date of provision of such information)	-
The person was subject to an administrative penalty for committing a corruption related offense	-

#### **2.4. Absence of signs of faulty business reputation related to holding positions or owning qualified shareholding in banks or other credit institutions**

Ownership of a classified share in the bank as of any date during the year preceding the date of the decision to declare the bank insolvent or to revoke the banking license in the bank at the initiative of the National Bank (except for the revocation of the banking license due to the bank's failure to carry out any banking operation) within year from the date of receipt)	-
Staying for more than six months in the position of the bank executive (except for the deputy chief accountant) or the head of internal audit, chief risk manager, chief compliance manager (or acting) during the year preceding the date of the decision to declare the bank insolvent or on revocation of a banking license in a bank at the initiative of the National Bank (except for the revocation of a banking license due to the bank's failure to carry out any banking operation within a year from the date of its receipt)	-
The ability, regardless of holding positions and owning share in the bank, to provide mandatory instructions or otherwise determine or significantly influence the actions of the bank as of any date during the year preceding the date of the decision to declare the bank insolvent or to revoke the banking license on the initiative of the National Bank (except for the revocation of a banking license due to the bank's failure to carry out any banking operation within a year from the date of its receipt)	-
Owning a qualified shareholding in a foreign bank as of any date during the year prior to the decision of the authorized body of a foreign country to declare the bank insolvent or to revoke the license for banking/lending activities (except for revocation of the license during liquidation of a foreign bank at the initiative of owners)	-
Staying for more than six months in the management body or in the position of chief accountant, chief risk manager, chief compliance manager, head of internal audit/control unit of a foreign bank for a year until the authorized body of a foreign country decides to declare the bank insolvent or to revoke the license for banking/lending activities (except for revocation of the license during liquidation of a foreign bank at the initiative of owners)	-
The ability, regardless positions and shareholding, to provide mandatory instructions or otherwise determine or significantly influence the actions of a foreign bank as of any date within a year before the decision by the authorized body of a foreign country to declare the bank insolvent or to revoke the license for banking/lending activities (except for revocation of the license during liquidation of a foreign bank at the initiative of owners)	-
Non-fulfillment by a person during the last three years of personal obligations assumed and/ letters of guarantee provided to the National Bank	-

Termination of powers (dismissal) of a person or his transfer to another position within the last three years, if it was preceded by a requirement of the National Bank to replace this person in the position due to improper performance by the person of official duties, which resulted in a violation by the bank of the legislation of Ukraine	-
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### 3. Independence requirements

**A person shall not be an independent member of a state-owned bank's Supervisory Board if he/she:**

The person is or, during the last five years, was a top manager (except for an independent member of the supervisory board) of this SOB and/or of its branch, representative office, and/or other standalone unit, or of a legal entity in which the SOB has a qualifying holding.	-
The person is or, within the last three years, was an employee of the SOB and/or its branch, representative office, and/or other standalone unit or legal entity, in which this SOB has a qualifying holding.	-
The person is a related party (except for an independent member of the supervisory board) of this SOB.	-
The person receives or, within the last three years, received from the SOB or from legal entities in which the SOB has a qualifying holding, a sizable income other than remuneration for performing functions of a supervisory board member (a sizable income means the income exceeding 5% of the total annual income of such person for the relevant year).	-
The person is an owner of a qualifying holding, top manager, official, and/or member of the board or other management body, an employee of other bank registered in Ukraine, or a person that is in a position to influence decision making with respect to core activities and/or has a significant influence on management and activities of the other bank registered in Ukraine.	-
The person is authorized to perform functions of the state or local authorities (according to the list specified in Article 3 part one paragraph 1 of the Law of Ukraine On Prevention of Corruption)	-
The person is or, within the last two years, was an official holding a position of responsibility or special responsibility (the officials holding a position of responsibility or special responsibility mean the persons specified in the Note to Article 50 of the Law of Ukraine On Prevention of Corruption).	-
The person is or, during any period within the last three years preceding his/her appointment to the supervisory board of the SOB, was an external auditor of the SOB and/or of its branch, representative office, and/or other standalone unit, or of a legal entity in which the SOB has a qualifying holding.	-
The person takes part in the capacity of an auditor serving for the audit firm or, during any period within the last three years preceding his/her appointment to the supervisory board of the SOB, took part in an external audit of the SOB and/or of its branch, representative office, and/or other standalone unit, or of a legal entity in which the SOB has a qualifying holding.	-
The person has or, within the last year, had a material economic and/or civil law relationship with the SOB or with a legal entity in which the SOB has a qualifying holding, or he/she is an ultimate (beneficial) owner or official of a legal entity who has or had such relationship (the material economic and civil law relationship means the relationship as a result of which the person received or has the right to receive income or loan in the amount exceeding 5% of the income of such person for the previous accounting year).	-
The person is a member of the executive body of a legal entity, a member of the supervisory board of which is any top manager of the SOB	-
The person is a connected person with the abovementioned persons,-in case appointment and tenure of this person as a member of the supervisory board of the SOB will cause the conflict of interest (the term 'connected person' has the meaning as specified in the Law of Ukraine On Prevention of Corruption).	-