

## Competence profile of the Board of Directors as a whole

The Board of Directors of Føroya Banki must have a composition that ensures the stable, satisfactory development of the Bank for the benefit of its shareholders, customers, employees and other stakeholders.

The composition of the Board reflects the general requirements of Faroes law, including the specific legislative requirements for financial institutions, and applicable corporate governance recommendations.

The recruiting process must ensure that the Board maintains the competencies and experience that are required in order for it to carry out the management duties and responsibilities it is charged with. The Board must also consider the size of the Board to fulfil the objectives of constructive debate and effective decision-making.

The Board should strive to maintain the necessary diversity concerning e.g., age, gender, nationality and experience. The Board meetings are held in Danish.

The Board's overall competencies and experiences must be considered the sum of the individual board members' competencies and experiences as, the Board operates as a collegial body. Each member therefore need not fulfil all the criteria.

The assessment of the Board's composition should focus on whether the members possess the competencies listed in the table below. This assessment takes place on an ongoing basis.

Competence area	Competencies
Personal	Personal integrity – structured and strategic thinking – analytical capability to guide decision-making – negotiation and communication skills – leadership abilities and ability to give support and constructive criticism to management – commitment and work capacity
Board experience	Experience at board level – loyalty to the board's decisions – knowledge of relevant corporate governance requirements
International	Understanding of and experience in international business, of related issues and market practices in the regions/countries, in which the Group is active
Management	Experience from/in management of companies including international and financial companies – understanding of the Group's relative position and challenges – understanding of alternative/disruptive business models and experience in managing strategy processes – experience with stakeholder management
Risk Management	Knowledge of and experience with risk management models and methods especially credit risk, but also counterparty risk, market risk, liquidity risk, operational risk and insurance risk
Finance/banking/asset management/insurance	Understanding of finance in all its facets including property finance – understanding of banking especially with regards to the credit area, asset management and insurance operations – experience in making financial decisions – ability to evaluate and apply financial facts – accounting practices

<b>Competence area</b>	<b>Competencies</b>
Funding and capital structure	Knowledge of funding through debt and equity capital markets – regulatory framework – knowledge of relevant legislative issues
Organisation & humans	Experience in developing and structuring organisations – understanding and experience of human resource management and talent development – compensation issues and models – understanding of modern management development and knowledge of the drivers of contemporary employee motivation
Professional and industry	Knowledge of relevant banking products and technology – knowledge of the banking industry and the various markets, in which the Group operates – knowledge on compliance issues
Environmental- Social and Governance (ESG) issues	Knowledge of environmental-, social and governance related issues and reporting standards. Contribution of products and services to a sustainable progression.
Business acumen	Understanding of market demands including retail customer needs and social media as well as the importance of customer centric service – good commercial judgement and understanding of the relationship between risk and reward
IT/Digital banking/Cyber Risk	Knowledge of IT systems and business processes – understanding of the new digital world and its deployment in the financial service industry (digital banking). Knowledge of Cyber Risk

Approved by the Board of Directors on May 21, 2024