

# Corporate Governance Report

## 3 Board of Directors

The Board has the ultimate responsibility for the strategy and the management of the Company and for the supervision of the Executive Management of the Company (the "Executive Management"). Art. 16 Para. 1 of the Aol provides that the Board must be composed of a minimum of three members. As at 31 December 2019, the Board consisted of five members, all non-executive, details of which are presented here below.

### 3.1.1 Current members of the Board of Directors

#### Markus Dennler (1956/Swiss national, domiciled in Switzerland)

Chairman of the Board of Swissquote Group Holding Ltd since May 2019 (member since March 2005)

Chairman of the Board of Swissquote Bank Ltd since May 2019 (member since March 2005)

#### Educational Background

1982	Licentiate in Law, University of Zurich
1984	Doctorate in Law, University of Zurich
1986	Attorney at Law, admitted to the Bar
1989	International Bankers School, New York
1997	Harvard Business School, Boston (AMP)

#### Professional Experience

1986–1994	Various assignments, Credit Suisse
1994–1996	Delegate to the Board of Directors, CS Columna
1997–1998	CEO, Winterthur Columna
1998–2000	Member of the Corporate Executive Board and Head of Individual and Group Life Division, Winterthur Insurance
2000–2003	Member of the Executive Board of CSFS and responsible for the operational global life & pensions business, Credit Suisse

#### Previous Board Mandates

2005–2006	Chairman, Batigroup
2005–2007	Chairman, Converium
2006–2013	Member of the Board, Petroplus
2006–2015	Chairman (since 2011), Implenia
2007–2010	Member of the Board, Jelmoli

#### Current Board Mandates

Since 2003	Honorary Councillor (since 2016), British Swiss Chamber of Commerce
Since 2005	Chairman (since May 2019), Swissquote Group Holding Ltd
Since 2005	Chairman (since May 2019), Swissquote Bank Ltd
Since 2006	Chairman (since 2012), Allianz Suisse

Markus Dennler has not held official functions or political posts in 2019. With the exception of the above-mentioned activities, he has no significant business connections with the Company or one of the Company's subsidiaries.

# Corporate Governance Report

**Dr Monica Dell'Anna (1971/Swiss and Italian national, domiciled in Switzerland)**

**Member of the Board of Swissquote Group Holding Ltd since May 2018**

**Member of the Board of Swissquote Bank Ltd since May 2018**

**Member of the Nomination & Remuneration Committee**

## **Educational Background**

1996	Degree (M. Sc. equivalent) in Telecommunications Engineering, University of Pisa
2000	PhD in Telecommunication Engineering, King's College London
2002	McKinsey Mini-MBA in Finance, Strategy and Marketing (Faculty from INSEAD/Kellogg/Harvard)

## **Professional Experience**

1997–2001	Research and later Senior Research Associate, King's College London
2002–2003	Consultant, McKinsey and Company
2003–2005	Senior Strategy Manager, Business Development and Strategy, Swisscom Fixnet Ltd
2006–2007	Head of Product Management Voice, Member of the Executive Board of "Small and Medium Enterprises", Swisscom Fixnet Ltd
2008–2010	Head Customer Experience Design (Product Management), Member of the Executive Board of "Small and Medium Enterprises", Swisscom Fixnet Ltd
2011–2013	Head of Fiber Business and New IT, Member of the Executive Board of "Network and IT" Swisscom (Switzerland) Ltd
2013–2015	Head of Market and Member of the Executive Board, BKW Ltd
2016–2019	Head of Products (until December 2018 Head of Business Media) and Member of the Group Executive Board, NZZ-Mediengruppe Ltd

## **Previous Board Mandates**

2013–2015	Member of the Board, BKW Italia Ltd
2013–2015	Member of the Board, Youtility Ltd
2013–2015	Chairwoman of the Board, cc energie
2014–2015	Member of the Board, Gasverbund Mittelland (GVM)
2016–2019	Chairwoman of the Board, following companies of the NZZ-Mediengruppe Ltd
	– Architonic Ltd (Member of the Board until 2017)
	– Spoundation Motion Picture Ltd
	– Zurich Film Festival Ltd
	– NZZ Konferenzen Ltd
	– Moneyhouse Deutschland Ltd
	– Swiss Economic Forum (SEF) Ltd
	– NZZ Fachmedien Ltd
	– Moneyhouse Ltd (since 2017)

## **Current Board Mandates**

Since 2018	Member of the Board, Swissquote Group Holding Ltd
Since 2018	Member of the Board, Swissquote Bank Ltd

Monica Dell'Anna has not held official functions or political posts in 2019. With the exception of the above-mentioned activities, she has no significant business connections with the Company or one of the Company's subsidiaries.

# Corporate Governance Report

**Martin Naville (1959/Swiss national, domiciled in Switzerland)**

**Member of the Board of Swissquote Group Holding Ltd since April 2007**

**Vice Chairman of the Board of Swissquote Bank Ltd since May 2019 (member since April 2007)**

**Member of the Audit & Risk Committee**

## **Educational Background**

1979–1984      Master of the Laws, University Zurich

## **Professional Experience**

1985–1988      Assistant Treasurer, J.P. Morgan Bank, Zurich/New York  
1988–1990      Consultant, The Boston Consulting Group, Munich  
1990–1992      Project Leader, The Boston Consulting Group, Zurich  
1992–1995      Manager, The Boston Consulting Group, New York  
1995–2004      Partner and Director, The Boston Consulting Group, Zurich  
Since 2004      CEO, Swiss-American Chamber of Commerce, Zurich

## **Current Board Mandates**

Since 2002      Chairman (since 2004), Zoo Zurich Inc.  
Since 2007      Member of the Board, Swissquote Group Holding Ltd  
Since 2007      Vice Chairman (since 2019), Swissquote Bank Ltd

Martin Naville has not held official functions or political posts in 2019. With the exception of the above-mentioned activities, he has no significant business connections with the Company or one of the Company's subsidiaries.

# Corporate Governance Report

**Dr Beat Oberlin (1955/Swiss national, domiciled in Switzerland)**

**Member of the Board of Swissquote Group Holding Ltd since May 2016**

**Member of the Board of Swissquote Bank Ltd since May 2016**

**Chairman of the Nomination & Remuneration Committee**

## **Educational Background**

1979	Licentiate in Law, University of Basel
1982	Attorney at Law and notary, admitted to the Bar
1989	Doctorate in Law, University of Basel
1999	Stanford Business School, Stanford CA, Senior Executive

## **Professional Experience**

1982–1994	Various assignments, SBC
1994–2004	Head of Retail and Head of Corporate Clients, Chief of Staff, Head of market and sales management, Business Banking, UBS, Switzerland
2004	Designated CEO, Basellandschaftliche Kantonalbank
2005–2016	Chairman of the Executive Board, Basellandschaftliche Kantonalbank

## **Previous Board Mandates**

2005–2016	Member of the Board, Association of Swiss Cantonal Banks
2005–2016	Member of the Board, Basel Bank Association
2013–2019	Member of the panel of experts appointed by the Federal Council for the "Advancement of Financial Centre Strategy" and its successor "Advisory Board for the Future of the Financial Center"

## **Current Board Mandates**

Since 2011	Vice President of the Board (since 2018), St. Clara Spital Group
Since 2016	Member of the Board, Swissquote Group Holding Ltd
Since 2016	Member of the Board, Swissquote Bank Ltd
Since 2018	Vice President of the Board, University of Basel <sup>1</sup>

Beat Oberlin has not held official functions or political posts in 2019. With the exception of the above-mentioned activities, he has no significant business connections with the Company or one of the Company's subsidiaries.

<sup>1</sup> Since 2020, Beat Oberlin is Chairman of the Board of the University of Basel.

# Corporate Governance Report

**Jean-Christophe Pernollet (1966/French national, domiciled in Switzerland)**

**Member of the Board of Swissquote Group Holding Ltd since May 2015**

**Member of the Board of Swissquote Bank Ltd since November 2014**

**Chairman of the Audit & Risk Committee**

## **Educational Background**

1986	Bachelor of Science in Economics and Politics, Institut d'Etudes Politiques, Grenoble
1986	Institute of European Studies, Hull
1990	Master in Management, EDHEC Business School, Lille
2002	Senior Executive program, Columbia Business School, New York

## **Professional Experience**

1990–1993	Deloitte & Touche, Paris, France, Audit
1993–2010	PricewaterhouseCoopers: 1993–1997 Audit, Geneva 1997–1999 since 1998 Senior Manager, Audit, New York 1999–2010 since 2001 Partner and Business Unit Leader, Audit, Geneva
2010–2012	EFG International AG, Chief Financial Officer
Since 2012	Edmond de Rothschild, Switzerland: 2012–May 2015 Group Chief Financial Officer, then Chief Audit Executive Since June 2015 Group Chief Risk Officer

## **Previous Board Mandates**

2010–2012	Member of the Audit & Risk Committee, EFG Private Bank Ltd, London
2013–2014	Member of the Board, Edmond de Rothschild (Europe), Luxembourg

## **Current Board Mandates**

Since 2014	Member of the Board, Swissquote Bank Ltd
Since 2015	Member of the Board, Swissquote Group Holding Ltd
Since 2015	Chairman of the Board, Edmond de Rothschild Real Estate SICAV
Since 2015	Member of the Board and Chairman of the Audit & Risk Committee, Edmond de Rothschild Asset Management (Switzerland) Ltd
Since 2015	Chairman of the Board, Edmond de Rothschild Pension Fund

Jean-Christophe Pernollet has not held official functions or political posts in 2019. With the exception of the above-mentioned activities, he has no significant business connections with the Company or one of the Company's subsidiaries.

# Corporate Governance Report

## 3.1.2 Former member of the Board of Directors

**Mario Fontana (1946/Swiss national, domiciled in Switzerland)**

Chairman of the Board of Swissquote Group Holding Ltd from April 2002 to May 2019

Chairman of the Board of Swissquote Bank Ltd from April 2004 to May 2019

For additional information on Mario Fontana, reference is made to the Corporate Governance Report 2018.

# Corporate Governance Report

## 3.2 Other activities and vested interests

None of the Board members has activities or vested interests (as defined in the SIX Swiss Exchange regulations) other than the ones described in Section 3.1.

## 3.3 Number of permitted activities

Pursuant to Art. 16 Para. 4 of the Aol, the number of mandates held in superior governing or administrative bodies of legal entities outside the Company and its affiliates, which must be registered with the Swiss Commercial Register or a comparable foreign register, is limited for members of the Board to 15 mandates held in business undertakings, a maximum of four of which may be in listed companies, and to five mandates held in other legal entities such as foundations and associations. Mandates held in different legal entities of one and the same single group of companies or mandates on behalf of a group or legal entity shall be counted as one mandate. Limits may be exceeded for a short-term period of time, but by no more than one third of the number of permitted mandates per above-mentioned category.

## 3.4 Elections and terms of office

The Board must have a minimum of three members elected at the General Meeting of Shareholders. According to Art. 16 Para. 2 of the Aol, the members of the Board are elected individually for a term of office that finishes at the end of the next Ordinary General Meeting. Re-election is permitted. New members of the Board appointed during a term of office can only be elected to serve until the end of that term. The Chair is elected at the General Meeting until the next Ordinary General Meeting.

The Board has always been composed of non-executive members. The Board acts at the same time as the Board of Directors of Swissquote Bank Ltd.

The time of the first election of the current Board members is mentioned in Section 3.1.

## 3.5 Internal organisational structure

### 3.5.1 Generalities

The operating of an international financial services group comprising a bank in Switzerland and a bank in Luxembourg as well as investment firms located in major financial places requires, inter alia, a proper organisation and an efficient consolidated supervision by the Company.

The organisation and responsibilities of the Group entities are mainly set out in the Policy on the consolidated supervision, which in particular aims at ensuring that:

- The Group is duly organised and has a proper structure and governance, including a cohesive set of by-laws, policies and regulations;
- The Group has an appropriate internal control system and the Group entities comply with the regulations applicable to them;
- The risks implied by the activities of the Group, including legal and reputation risks, are adequately identified, mitigated and monitored;
- The Board members, the Executive Management members and other key persons in the Group provide assurance of proper business conduct;
- The applicable regulations on the fight against money laundering and terrorist financing are duly complied with throughout the Group;
- The applicable regulations on the establishment of financial statements as well as on capital adequacy, liquidity, risk diversifications, risk positions and other relevant quantitative parameters are duly complied with throughout the Group.

The level of competence for making decisions in the Company (including according to levels of financial materiality) is set forth in the Organisation Regulations and other internal regulations and is summarised in the Regulation relating to responsibilities and financial powers.

After each Ordinary General Meeting, where all Board members and the Chair are elected, the Board appoints its Secretary. The Board may form one or several advisory committees, which consist of members of the Board. The Committees are in charge of proposing board resolutions to the full Board with respect to specific matters. In 2019, there were two such Committees at the level of the Group: the Audit & Risk Committee and the Nomination & Remuneration Committee. Such Committees must report to the Board on a regular basis, but at least once per quarter for the Audit & Risk Committee and twice a year for the Nomination & Remuneration Committee. Further, certain functions of the Board are delegated to the Chair.

# Corporate Governance Report

## 3.5.1 Generalities (continued)

The Board meets as often as required, but at least four times a year. The Board and the Committees plan and coordinate their activities in accordance with a yearly planning schedule that covers all matters requiring the Board's attention and thus ensures that the Board's activity is compliant with applicable laws and regulations.

In 2019, the Board met ten times (six physical meetings and four conference calls), out of which one meeting was a strategy session and another meeting the so-called Annual Conference on Risks (see Section 3.7). In average, a physical meeting lasted for four and a half hours and a conference call lasted for forty-five minutes. The Executive Management was present at all meetings, except where there was a review of their personal situation. On various occasions, decisions were taken by means of circular resolutions and ratified at the next Board meeting.

## 3.5.2 Functions of the Board of Directors

The Board acts as the ultimate direction of the Company and has the power to decide on all matters that are not vested in the General Meeting or in any other body by law or pursuant to the Aol or the Organisation Regulations. It is the Board's responsibility to perform, inter alia, the following functions:

- Define the strategy and the objectives of the Company and approve the implementation or cessation of business activities;
- Establish the overall organisation and, in particular, approve the organisation chart of the Group based on the proposal of the Executive Management;
- Decide on the appointment, suspension and dismissal of the Executive Management and of the other signatories of the Company;
- Appoint the Chairs of the Committees;
- Based on the proposal of the Nomination & Remuneration Committee, submit to the General Meeting proposals of maximum aggregate amounts of remuneration for the Board and the Executive Management and decide, within the framework of the General Meeting's resolutions, on the remuneration of the Board and the Executive Management;
- Based on proposals of the Audit & Risk Committee, determine the applicable accounting standards, the principles governing the internal control system (including for what regards the financial control), the financial planning and the financial disclosure policy, as well as approve the capital planning and the annual budget;
- Approve the annual financial statements and regular interim financial reporting prior to their disclosure and after clearance by the Audit & Risk Committee;

- Supervise the achievement of the Group's objectives in terms of sustainability, gender diversity and wage fairness;
- Prepare the Annual Report, the Corporate Governance Report and the Remuneration Report;
- Prepare the General Meeting (including the invitation to the General Meeting) and execute the General Meeting's resolutions;
- Decide on the nomination, renewal or dismissal of the auditors and of the internal auditor;
- Supervise the Executive Management, in particular with regard to compliance with laws, the Aol, the internal regulations and the Board's instructions;
- Approve the risk policy and the key risk management principles;
- Pass resolutions in connection with a capital increase pursuant to Art. 651a, 652g and 653g CO and make decisions pursuant to Art. 634a Para. 1 CO (contributions on shares not fully paid-up) and 651 Para. 4 CO (increase of share capital in the case of authorised capital);
- Approve mass redundancies of employees pursuant to Art. 335d CO or similar foreign regulations;
- Notify the competent authority in case of over-indebtedness; and
- Approve those matters for which the Executive Management has to seek approval by the Board, in particular through the approval of internal regulations.

The Board's approval is also required for specific transactions that do not fall under the ordinary business activities and/or which financially exceed defined thresholds.

Board members may not act alone on behalf of the Company and may not give instructions on their own, except where the Aol, the internal regulations or a resolution of the Board provide otherwise.

## 3.5.3 Functions delegated to the Chair

The Chair performs, inter alia, the following functions:

- Chair the meetings of the Board and the General Meeting of Shareholders;
- Ensure that all relevant matters are duly part of the Board meeting agenda and subject to an appropriate follow-up. Relevant matters include strategy, business, financial risk and compliance matters as well as environmental, social and governance matters;
- Represent the Board vis-à-vis the public at large, public officials and the shareholders.



# Corporate Governance Report

## 3.5.4 Rules governing decisions

The majority of members shall be present for the Board to be quorate. Resolutions of the Board are passed by a majority of the votes cast by the members present. In the event of a tie, the Chair has the casting vote. For decisions that are taken in relation to a capital increase (ordinary, conditional or authorised increase), including the related modifications of the Aol, the quorum is also achieved when a single member of the Board is present.

For further information on quorum and decisions, reference is made to the Aol (in particular Art. 17).

## 3.5.5 Audit & Risk Committee

Board members on the Committee: Jean-Christophe Pernellet (Chairman) and Martin Naville.

The Audit & Risk Committee's primary function is to assist the Board in fulfilling its oversight responsibilities defined by law, the Aol, internal regulations or otherwise with respect to financial reporting and risk management. The Audit & Risk Committee has no decision-making powers. It only acts in an advisory or preparatory capacity.

In terms of financial reporting, the oversight responsibilities of the Audit & Risk Committee include, inter alia, the following:

- Monitor and assess the overall integrity of the financial statements;
- Monitor the adequacy of the financial accounting, financial planning and reporting processes and the effectiveness of internal controls over financial reporting;
- Monitor processes designed to ensure compliance by the Group and its entities in all significant respects with legal and regulatory requirements, including disclosure controls and procedures, and the impact (or potential impact) of developments related thereto;
- Make recommendations to the Board as to the application of accounting standards;
- Inform the Board of the result of the above-mentioned tasks and make a recommendation as to whether the financial statements should be submitted to the General Meeting;
- Monitor and assess the qualifications, independence and performance of the auditors and their interactions with the internal auditor; and
- Review the risk analysis, the audit plan and all reports from the auditors and supervise the actions taken by the Executive Management following the audit results.

In terms of risk management, the oversight responsibilities of the Audit & Risk Committee include, inter alia, the following:

- Assess, at least annually, the Group's risk management framework (in particular the risk capacity, the risk appetite and the risk tolerance), make corresponding recommendations to the Board and ensure that necessary changes are made;
- Monitor and assess the risk management framework, including the internal control systems of the Company and of Swissquote Bank Ltd;
- Oversee that the Executive Management has identified and assessed all the significant risks that the Group and its entities face and has established a risk management infrastructure capable of addressing those risks;
- Oversee, in conjunction with the Board and, where applicable, other board-level committees, risks, such as strategic, credit, market, liquidity, operational and reputational risks;
- Assess the Group's capital and liquidity planning and report to the Board;
- Monitor and assess the qualifications, independence and performance of the internal auditor;
- Review the internal auditor's risk assessment, audit plans and all their reports and supervise the actions taken by the Management following the audit results; and
- Make recommendations to the Board as to the nomination, renewal or dismissal of the auditors and of the internal auditor.

The Audit & Risk Committee meets at least once per quarter. In 2019, it met five times (four physical meetings and one conference call). In average, a physical meeting lasted for two hours and 45 minutes and a conference call lasted in average for 45 minutes. At each meeting held in 2019, the Chairman Jean-Christophe Pernellet, Martin Naville and the other Board members were present. Members of the Executive Management were invited to all the meetings. The auditors were present at the four physical meetings (once via telecommunication means) and at the conference call. The internal auditors were present at the four physical meetings and at the conference call. No external counsels attended the meetings.

# Corporate Governance Report

## 3.5.6 Nomination & Remuneration Committee

Board members on the Committee: Beat Oberlin (Chairman) and Monica Dell'Anna.

The Nomination & Remuneration Committee meets at least twice a year. In 2019, it met six times (four physical meetings and two conference calls). In average, a physical meeting lasted one hour and 30 minutes and a conference call lasted in average 30 minutes. At each meeting held in 2019, the Chairman Beat Oberlin, Monica Dell'Anna and the other Board members were present. Members of the Executive Management were invited to all the meetings, except where there was a review of their personal situation. No external counsels attended the meetings.

Further details on the Nomination & Remuneration Committee are provided in the Remuneration Report.

## 3.6 Definition of areas of responsibility

All executive functions within the Group not reserved to the Board or to the Chair are delegated to the Executive Management. The Executive Management is responsible for the implementation of the business strategies approved by the Board and for the compliance of the operations with the risk management policies approved by the Board. Further, the Executive Management ensures the maintenance and development of a corporate framework in line with the corporate values approved by the Board.

The Executive Management in particular has the responsibility to perform the following functions:

- Implement the strategy decided by the Board and execute its decisions and instructions;
- Prepare the items to be discussed by the Board;
- Ensure that the internal organisation of the Company meets the needs of its business activities and its development;
- Propose the organisation chart to the Board;
- Hire the employees and set their employment conditions according to the guidelines issued by the Board;
- Prepare the list of signatories for Board approval;
- Supervise accounting, financial control and financial planning;
- Prepare the budget for Board approval;
- Prepare the reporting to the attention of the Board;
- Prepare the financial statements for Board approval and publish them;
- Ensure compliance with laws and regulations, in particular for what regards capital adequacy requirements, liquidity, risk diversification and privileged deposits and monitor the related developments;
- Delegate competences to committees; and
- Draft the internal regulations for Board approval.

The delegation process to the Management is documented in the internal regulations and the Board has an overview of the delegation process through the summary provided in the Regulation relating to responsibilities and financial powers. The following functions and entities report to:

### Members of the Executive Management 2019

Marc Bürki, CEO
Paolo Buzzi, CTO
Yvan Cardenas, CFO
Gilles Chantrier, CRO
Jan De Schepper, CSO
Lino Finini, COO
Morgan Lavanchy, CLO
Michael Ploog, CIO

### Functions and entities

Group entities
Group entities / Project Management / Quantitative Asset Management / Software Engineering
Finance, Reporting & Tax
Controlling & Risk
Customer Care / Marketing / Sales eTrading Private Clients & Partners / Sales Headquarters
Business Operations / Facility Management / Information Technology & Security
Legal & Compliance
Assets & Liabilities Management & Treasury / eForex Trading & Market Strategy / Human Ressources / Trading

The Executive Management is further assisted by committees consisting of members of the Management that carry out coordination and reporting functions and make recommenda-

tions to the Executive Management. At least one member of the Executive Management sits in each committee.

# Corporate Governance Report

## 3.7 Information and control instruments vis-à-vis the Executive Management

The Group operates a comprehensive management information system that provides the Executive Management with all data required to manage and control the business and to report relevant information to the Board.

The Board periodically reviews the nature of the reporting prepared by the Executive Management and the frequency of the respective reports. The reporting may be summarised as follows:

- Quarter 1 and 3 reporting in particular includes (1) the CEO Report, which inter alia provides an update on key financial figures, business activities, important projects, key operational matters and investor relations, (2) the Financial Report, which reports on the key financial matters (including budgets and capital management issues), together with a full set of condensed consolidated interim financial statements (established for internal purposes only), (3) the Risk Report, which informs on risk-related matters and (4) the Legal & Compliance Report, which reports on legal, compliance and regulatory matters;
- Half-yearly reporting covers the same scope as the quarter 1 and 3 reporting, except that an interim statutory balance sheet and income statement of Swissquote Bank Ltd is provided in addition to the condensed consolidated interim financial statements. This latter document is reviewed by the auditors and serves as basis for the half-year press release; and
- Yearly reporting covers the same scope as the half-year reporting and includes the audited consolidated and statutory financial statements for both the Company and Swissquote Bank Ltd.

Once a year, the Board organises a conference dedicated to an in-depth review of the risks, internal control systems and risk management processes (the "Annual Conference on Risks"). The Executive Management and the respective heads of Information Technology & Security and Assets & Liabilities Management & Treasury provide the Board with their own risk assessment and their recommendations with respect to the enhancement of the internal control systems and risk management processes.

Ad hoc reporting is addressed to the Board when required by the circumstances or upon request by the Board. Further, the Executive Management must immediately report to the Board material matters outside the ordinary course of business.

The Board and the Committees may invite the Executive Management in corpore or some of its members to all or parts of the meetings.

The function of internal auditor, reporting directly and independently to the Board of Directors of Swissquote Bank Ltd, is outsourced to BDO SA, Geneva, which is a member of the Institute of Internal Auditing Switzerland. The duties of the internal auditor are governed by the Ordinance on Banks and Savings Banks, FINMA Circular 2017/1 "Corporate governance – banks" and the applicable internal regulations. The internal auditor analyses the compliance of business activities with legal and regulatory requirements and applicable internal regulations. The internal auditor carries out the audit plan approved by the Board and reports its significant findings and recommendations in writing. It also executes ad hoc missions and investigations upon request of the Board. The internal auditor provides the Board with a specific half-year summary report that reviews, inter alia, the progress made by the Company in implementing the recommendations made in earlier reports and includes relevant information with respect to the execution of the audit plan. The internal auditor participates in the Annual Conference on Risks and provides the Board with its own assessment of the risks, internal control systems and risk management processes. The Board formally takes note of the reports of the internal auditor and reviews the conclusions and comments made by the Audit & Risk Committee, which examines the reports in detail.

Swissquote Bank Ltd is responsible for performing consolidated supervision functions that cannot be performed at the level of the Company, in particular when the necessary resources or systems are not available in the Company.

In terms of risk management, the Company complies, inter alia, with the requirements of FINMA Circular 2017/1 "Corporate governance – banks" and maintains an extensive risk management framework which addresses risks related to a banking activity (credit risk, market risk, interest risk, operational risk, reputation risk, etc.).