

Professional Services Proposal

Národná banka Slovenska

Director of Economic and Monetary Analysis
October 2024

SIGNIUM AUSTRIA

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PRIVATE AND CONFIDENTIAL

October 18, 2024

Národná banka Slovenska
Imricha Karvasa 1
813 25 Bratislava
Slovak Republic

Národná banka Slovenska (NBS) was established on 1 January 1993 by Act of the National Council of the Slovak Republic No. 566/1992 Coll. on the National Bank of Slovakia as the independent central bank of the Slovak Republic.

From the euro introduction date, i.e. from 1 January 2009, Slovakia became the part of the Eurosystem which forms the system of central banking in the euro area within the European System of Central Banks.

Core business areas of the NBS:

- is involved in the common monetary policy determined by the European Central Bank for the whole euro area,
- issues euro banknotes and coins according to separate regulations valid in the euro area related to issuing euro banknotes and coins,
- promotes the smooth operation of payment systems and clearing systems, regulates and coordinates and ensures currency circulation, payment system and clearing of payment system data and is concerned with its smoothness and economic efficiency,
- maintains and disposes of foreign reserve assets and implements foreign exchange operations according to separate regulations applicable to Eurosystem operations,
- conducts other activities resulting from its participation in the European System of Central Banks.

NBS, in the financial market area, contributes to the financial system stability as a whole, as well as to the safe and sound financial market functioning in order to sustain the financial market credibility, clients' protection and complying with competition rules.

Concurrently, NBS conducts financial market supervision, i.e. it conducts supervision of banks, branch offices of foreign banks, investment firms, intermediaries of investment services, stock exchanges, management companies, mutual funds and collective investment undertakings, reinsurance undertakings, pension fund managing companies, pension funds, supplementary pension fund managing companies and other supervised entities of the Slovak financial market.

The supreme governing body of the NBS is the Bank Board. The Bank Board ought to consist of six members (pursuant to Article 7 of the Act on the National Bank of Slovakia). Members of the Bank Board shall be the Governor, two Vice-Governors and three other members.

The Governor and Vice-Governors shall be appointed and dismissed by the President of the Slovak Republic upon the recommendation of the Government and with approval of the National Council of the Slovak Republic. Three other members of the Bank Board shall be appointed and dismissed by the Government upon recommendation of the Governor of Národná banka Slovenska. The members of the Bank Board shall be appointed for a term of six years.

The candidate:

Position Overview:

To continue the modernization and expansion of its analytics departments, the Bank is looking to recruit a new **Director of Economic and Monetary Analysis**. The department is an authoritative voice on macroeconomic, monetary, fiscal and long-term structural policy issues in Slovakia with the strategic goal of establishing itself as an internationally recognized hub of expertise in selected areas

Required expertise:

The successful candidate will possess many of the following:

- strong background in macroeconomics, monetary economics and/or finance, preferably with a PhD,
- track record in publishing high-quality policy-relevant analysis or research,
- work experience in policy making or evaluation (central bank or international organization),
- knowledge of macroeconomic developments and monetary policy issues in the euro area,
- understanding of the regional specifics of economic development in Central and Eastern Europe,
- experience in managing medium-sized research projects involving international cooperation,
- ability to coach and motivate analysts working in a team,
- good communication skills, including communication with non-specialist audiences

It will be our responsibility to source, screen, and introduce the best qualified candidates available in the marketplace. We understand the importance of this role in your company and will support you with a process that

is fair, transparent, thorough, broad-based, and collaborative. This process will be handled with absolute confidentiality, and we will only disclose the name of our client upon your authorization and will have the candidates in the process sign NDAs which will be commonly agreed prior to start of the assignment.

The detailed assignment brief will be established after the release of the assignment, however, given the upfront briefing, we concluded following Search direction:

Geographic Focus: Central & Eastern Europe, Western Europe

Nationalities: Slovak Nationals preferred but expatriate candidates are not excluded. They would be considered based on their previous exposure to CEE markets and their understanding of this geographic area.

Functional targets: Senior executives of (macro- and micro) economic departments and financial institutions, funds and research organisations.

Target industries: National Banks, Financial Institutions and Funds (eg EBRD; IBRD; World Bank etc) with special focus on Central- and Eastern Europe, economic research organisations and think tanks.

We have divided this proposal document into four parts:

1. Purpose and approach to the assignment
2. Your Signium team
3. Commercial proposal
4. Terms & Conditions

The conditions below apply to all business conducted between the parties relating to the named position only, unless otherwise agreed in writing.

- Our distinctiveness derives from the quality of our people who share the values of entrepreneurship, in-depth local expertise, and international collaboration. Signium's partners around the world share a passion for the profession of executive search.

1. PURPOSE AND APPROACH TO THE ASSIGNMENT

The main purpose of this assignment is to exclusively assist NBS in the identification and selection of a Director of Economic and Monetary Analysis. **Due to the special attention to confidentiality and the regular feedback rounds included, the process will take some 8-10 weeks until a first presentation of shortlisted candidates.**

Our search process includes a number of steps which can be divided into 3 phases:

Phase I (Week 1-4): Candidate Identification and Contact – Mapping Process

- The first phase of an engagement starts with the agreement of the assignment brief, Job Description, and search strategy.
- We use market knowledge, our internal and external databases, market research, and relevant sources and references to target organizations in which potentially suitable candidates are likely to be found. We evaluate these companies, calibrating their size and business models and arrive at a list of qualified professionals, after which we approach them. Depending on the results, the initial target company list will be enlarged throughout the course of the assignment according to agile working principles.
- We verify the suitability of potential candidates using not only public information, but the knowledge of our consultants who may have previously met with these candidates, as well as, where appropriate, informal referencing from our network of industry contacts. We talk to these prospective candidates and screen them for interest.
- We then proceed to refine our research and create an initial 'long list' of people capable of undertaking the role as defined in the agreed job description. This list is based on our knowledge of the market and the extensive research that we would have undertaken.

Phase II (Week 5-8): Candidate Evaluation and Shortlist

- During the second phase of an engagement, we conduct interviews with those candidates we believe to be most qualified.
- Based on those interviews and other information provided by the candidates, we will then prepare confidential written reports on the short-listed professionals, which will include both their experience, as well as our consultants' evaluation and other important information (i.e., financial expectations, notice period).
- The shortlist will include the most suitable 3 to 4 candidates, who based on the defined specifications qualify for the position at hand.

Phase III (Week 9-10): Client Interviews, Referencing, Extending an Offer and Closure

- The final phase of the engagement involves your selection of the candidate.
- We co-ordinate initial and subsequent meetings with you and other stakeholders as appropriate, communicate the results of the meetings to you and the candidates, develop a strategy for the final offer, check references, confirm placement, and manage the transition of the successful candidate.
- If no candidate has been selected from the proposed shortlist, we will commonly adjust the job description, profile, or the position to market availability and will present one more shortlist.

We work according to agile methodology, including the client into the solution identification. Thus, we propose regular personal or virtual updates throughout the course of the assignment discussion target companies, profiles, positions in process and market insights about salaries, challenges, and opportunities.

Guarantee

In the event that the candidate appointed from our search process withdraws before assuming his/her position or leaves the job or is terminated within the first **12 months** of hiring date, we shall restart the assignment for free. This does not account for situations when the job content, structure or scope of responsibility has changed significantly or for second placements.

Additional Services

In addition to the above, Signium can **offer assessment and development centres, personality profiling & testing (Hogan tests) and integration coaching** to ensure selection based on full information and to ease the integration into a new environment. These services will be separately invoiced once the company has opted for such services to be performed.

2. YOUR SIGNIUM TEAM

The following team will be personally responsible for the assignment:

Managing Partner,
Vienna / Bucharest

Office:
Mobile:
Email:

Managing Partner,
Bucharest

Office:
Mobile:
Email:

3. COMMERCIAL PROPOSAL

Professional Fees

Signium's professional fees are based on a non-refundable retainer, billed in 3 phases. For this search Signium shall charge a fixed consultancy fee of EUR 49,999.-

Administrative & Travel Expenses

In this project we will **not charge** any **administration fee** or direct cost of travel for our consultants, meals and hotels associated with the interviewing and selection process of potential candidates. However, the costs of international travel for candidates to the client's premises will be covered by the client. Client will secure and organise international travel for candidates to the client's premises.

Payment Terms

Our fee will be billed in **3 (three) instalments**, namely when the search commences and thereafter parallel to the progress of the search. The calculation is based at the offered fee level as follows:

Instalment I	1/3 is due upon the start of the assignment	EUR 16,666
Instalment II	1/3 is due upon presentation of shortlisted candidates	EUR 16,666
Instalment III	1/3 is due 30 days after presentation of <u>accepted</u> shortlist	EUR 16,667

VAT (if applicable) will be added to the above-mentioned fees. Payment term is determined to be **10 days** from date of each invoice.

4. GENERAL TERMS & CONDITIONS

Exclusivity

Signium accepts an assignment on the basis of exclusivity. In the event that other parties are or have previously and recently been engaged on the same or on a similar assignment, Signium will only accept the assignment after the engagement with other parties has formally been terminated. **Information available from previous search efforts for the same or similar positions will be made available to Signium** to prevent possible deficiencies in the execution of the assignment.

Communication

The leader of the project and will communicate directly with the decision makers and stakeholders appointed by the client in order to keep the information clear and efficient, speed up the decision making and to ensure a continuous flow of open communication throughout the entire project.

Commitment to Diversity & Inclusion

Signium holds to the principles of equality and fairness in hiring and evaluation of candidates and makes sure that all appropriate measures are taken in ensuring all candidates and/or participants are considered equally, irrespective of gender or national origin, etc.

Direct or Internal Applications

Often during a search assignment, an organization will receive internal or direct applications, or the client may point out promising target companies / candidates. It is common practice that these applications are forwarded to Signium for evaluation with other candidates discovered through the search process. This will ensure that you receive the extra benefit of similar feedback on internal or direct candidates and a more accurate, thorough, and professional outcome.

If an internal or direct response candidate is subsequently appointed from the search process (or an appointment made by anyone other than Signium) 75% of our professional fee for this assignment will apply.

Deferred Hiring / Third Party Employment

Introductions effected by Signium are strictly confidential. If a client passes on a candidate or the details of a candidate introduced by Signium to a third party or hires with a deferred timeline within 12 months of Signium's introduction, the client is liable for the appropriate permanent placement fee as specified above.

Confidentiality, Privacy, and Integrity

Signium commits to the highest levels of confidentiality and integrity throughout the executive search process. We fully adhere to the international **Association of Executive Search Consultant's Code of Ethics**.

All information provided during the assignment, from any source whatsoever, will be treated as strictly confidential and will never be divulged outside of the client relationship. This undertaking will encompass all Signium staff, and all employees of our alliance partners, without time limit.

We also strive to ensure the utmost confidentiality for the candidates that we approach during the course of our work, on your behalf. As a result, we request that you and your staff treat any candidate information provided to you by Signium as strictly private and confidential and request that you only share this information with those individuals who are directly involved in this particular assignment. It is not permitted to take references on the candidates without the consent of Signium and candidates, to use the data received from Signium for future recruitment processes or to disclose them to third parties.

Once the search process has been completed, the client commits to the permanent deletion of the personal data of all candidates presented or introduced to you by Signium, except for the candidate(s) selected for an employment relationship.

Cancellation Policy

If a client wishes to cancel an engagement, written notification of the cancellation must be provided. If this occurs, the client will be liable to pay all outstanding fees up to the point of cancellation and any expenses incurred to the date of receipt of notification of cancellation. The engagement is set for a period of 3 months if not otherwise agreed and the provider reserves the right to unilaterally cancel the agreement after given period.

The client has 4 weeks' time to reject profiles from date of candidate introduction. If the client does not provide negative feedback, the project is considered closed, and the remaining amount of the minimum fee will be due. In case of negative feedback, the client and provider re-calibrate and adjust the profile to market availability, and the provider shall present one more shortlist. If still no candidate has been identified, the Job Description will be commonly adjusted, and a new project has to be enrolled.

The client will receive current package and/or future financial package prior to presentation. If no objection is being communicated prior to presentation, the client expresses his acceptance to the financial expectations communicated by the candidates. If the negotiation does fail due to change of profile or financial expectations, the project is considered successfully closed and the last instalment of the minimum fee will be due.

If a client withdraws a written offer of employment after it has been accepted by the candidate concerned, through no fault of the candidate, the full fee will be payable by the client.

Off Limits

As part of our protection policy, we agree not to recruit executive level employees from a client for a specified period of time. Candidates hired as a result of our search process will be protected as long as they are retained by the company. We will not recruit executives from the company that report directly to the person hired by our recruitment process, or their superior for a period of 12 months.

These restrictions will not apply under the following circumstances:

- Cancellation of this agreement by you prior to the search being completed.
- Failure to pay our fees and/or expenses when due.
- A major change in your organisations' ownership impacting our relationship.
- Where you authorise exceptions in writing such as where your executives may be seeking other opportunities with your knowledge.

Governing Law

This agreement shall be governed by and interpreted in accordance with the laws of Austria.

Validity and Effectiveness of the Agreement

This agreement becomes valid and binding for Signium and the client on the date it is signed by the authorized representatives of both parties. If the authorized representatives do not sign the agreement on the same day, the date of the later signature will be considered decisive. This agreement becomes effective on the day following its publication, in accordance with Act No. 40/1964 Coll. Civil Code, as amended, and Act No. 211/2000 Coll. on Free Access to Information and its amendments. Both Signium and the client acknowledge that the agreement will be published on the client's website.

ABOUT SIGNIUM

Signium is a global executive search and leadership consulting firm, helping clients around the world make the right decisions at moments of strategic importance.

With more than 70 years of experience, we are experts in helping clients recruit, develop and retain the best leadership teams. This means we don't just find talent – we advise senior business leaders on developing their skills, their people, and their organisations.

Our clients operate all around the world, and so do we. With offices in nearly 40 countries, we combine global reach with deep local knowledge to exceed our clients' needs – whenever, wherever, whatever. During periods of significant change, we give our clients the edge when shaping their futures.

Signium CEE, is one the most experienced Executive Search and Leadership Consulting firms in Central Eastern Europe with 30 years of experience having supported more than 2,000 senior management placements and management audits.

Thank you again for this opportunity. We would be delighted to answer any questions arising from this proposal and look forward to working with you on this important assignment.

Please sign and return the proposal to us to formally commence this assignment.

Signium International Austria

National Bank of Slovakia

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Date:

Date: