

Pursuant to Article 44 paragraph (2) item 3) of the Central Bank of Montenegro Law (OGM 40/10, 6/13, 70/17), and Article 43 paragraph (6), Article 52 paragraph (3), and Article 59 paragraph (5) of the Law on Credit Institutions (OGM 72/19), the Council of the Central Bank of Montenegro, at its meeting held on 26 November 2020, passed the following

**DECISION  
ON MORE DETAILED REQUIREMENTS FOR SELECTION AND APPOINTMENT OF  
MEMBERS OF THE MANAGEMENT BODY AND  
HOLDERS OF CORE FUNCTIONS IN A CREDIT INSTITUTION**

**I. BASIC PROVISIONS**

**Subject matter**

**Article 1**

This Decision shall govern more detailed requirements for the selection and appointment of members of the management body and holders of core functions in a credit institution (hereinafter: the suitability criteria), the content of policies and procedures for the selection and the assessment of compliance with the suitability criteria, and the documentation to be enclosed with applications for granting the approval for performing the function of the members of the management body of a credit institution.

**Terms and definitions**

**Article 2**

(1) Terms used in this Decision shall have the following meaning:

1) **significant business relationship** means a business relationship which meets any of the following criteria:

- the total liabilities of the chairperson or a member of the supervisory board or management board, including the persons acting in concert with them, to a credit institution exceed their total claims against and holdings in that credit institution by an amount higher than 2% of the credit institution's Tier 1 capital but are not lower than EUR 300,000;
- a credit institution or a person acting in concert with it has a holding in the Tier 1 capital instruments exceeding 20% of the Tier 1 capital of a business undertaking controlled by the chairperson or a member of the supervisory board of the credit institution (hereinafter: the supervisory board) or the chairperson or a member of the management board of the credit institution (hereinafter: the management board);
- a business undertaking acting in concert with the chairperson or a member of the management board or supervisory board derives most of its income from the provision of services to that credit institution;

2) **non-executive directorship** means:

- in a business undertaking having a one-tier corporate governance arrangement, the function of a member of the board of directors who does not hold the executive function in the undertaking,

- the function of a member of the supervisory board in a business undertaking having a two-tier corporate governance system;
- 3) **executive directorship** means:
  - the function of an executive director in a business undertaking having a one-tier corporate governance system,
  - the function of a member of the management board in a business undertaking having a two-tier corporate governance system;
- 4) **accounting consolidation** means the consolidation carried out in accordance with the law governing accounting;
- 5) **prudential consolidation** means the application of the prudential rules set out in the Law on Credit Institutions (OGM 72/19) (hereinafter: the Law) and regulations of the Central Bank of Montenegro (hereinafter: the Central Bank), governing the capital adequacy of credit institutions, large exposures, liquidity indicators, and financial leverage, on a consolidated basis, and it includes all subsidiary undertakings that are institutions or financial institutions, and may also include ancillary services undertakings;
- 6) **significant holding** means a participation in capital of another business undertaking of 20% or more, or possibility to effectively exercise significant influence over the management or business policy of that undertaking.

(2) The terms other systemically important credit institution, financial institution, undertakings linked by joint directorship, acting in concert, significant holding, control, group of credit institutions, parent undertaking, and subsidiary undertaking shall have meanings as specified in the Law.

## **II. SUITABILITY CRITERIA**

### **Good repute, honesty and integrity of members of the supervisory board and management board**

#### **Article 3**

(1) Notwithstanding the presumption of innocence, it shall be considered that the requirement regarding good repute, honesty and integrity referred to in Article 43 paragraph (1) items 1) and 2) and/or Article 52 paragraph (1) items 1) and 2) of the Law is not met by a person:

- 1) who has been convicted by a judgement with final force and effect of or against whom criminal offence proceedings have been initiated for a criminal offence against property, payment system and the economy, or a criminal offence relating to breaches of official duties;
- 2) who has been convicted by a judgement with final force and effect or against whom criminal offence proceedings have been initiated for another criminal offence, if that may give rise to doubt as to their repute;
- 3) who has been imposed a measure by the competent regulatory authority due to non-compliance with any of the regulations governing banking, financial or insurance activities or activities relating to securities;
- 4) who has, at the time of the offence, managed the undertaking which has been convicted by a judgement with final force and effect of the criminal offence, or who has been imposed measures or against whom proceedings and other actions referred to in items 1), 2) and 3) of this paragraph have been initiated,

which may give rise to doubt as to the good repute, honesty and integrity of that person;

- 5) who has shown non-transparent behaviour and lack of cooperation with the competent authorities, and/or whose approvals to perform functions or other activities have been refused or revoked, or who has been removed from office, and/or whose employment contract has been terminated, or who has been forbidden from directing the business or representing legal person, or for whom it has been otherwise established that their behaviour has not been in line with the high standards of professional conduct;
- 6) whose business results or financial situation compromise their good repute, honesty and integrity; or
- 7) for whom there are some other grounds for suspicion as to their good repute, honesty and integrity.

(2) When determining the existence of the circumstances referred to in paragraph (1) items 4) and 5) of this Article the following shall be taken into consideration:

- 1) whether the property and income of the candidate threaten their ability to meet their financial obligations in the future;
- 2) whether the candidate is a debtor according to data from the credit registry or any other available registry;
- 3) the financial and business results of the entity owned by the candidate for a member of the supervisory and/or management board, or managed by the candidate, and/or in which the candidate has or has had significant holdings or has contributed in any way, through their activities in that entity, to the opening of bankruptcy and/or winding-up proceedings against that entity;
- 4) whether the bankruptcy proceedings have been carried out or ongoing over the candidate's property;
- 5) the influence of any civil, criminal or administrative proceedings to which the candidate is a party, as well as the influence of any large investments, exposures or debts of the candidate and any contracted loans on the financial situation of that candidate or entities owned by that candidate, or managed by the candidate, or in which the candidate has a significant holding.

### **Professional knowledge and skills of the members of the supervisory board and management board**

#### **Article 4**

(1) A candidate for the member of the supervisory or management board shall be deemed to have met the requirement referred to in Article 43 paragraph (1) item 3) and Article 52 paragraph (1) item 3) of the Law, if they have a higher education qualification of at least 240 CSPK or a foreign graduate degree that is equivalent to the degree of the said higher education qualification in Montenegro in the field of banking and finances, economy, law, accounting, auditing, information technology, mathematics, physics, computer science, electrical engineering or other related fields.

(2) When assessing the professional knowledge of a candidate for a member of the supervisory or management board, consideration may be given to professional development of the candidate, in particular relating to:

- 1) banking and financial markets;
- 2) regulatory framework and prudential requirements;
- 3) strategic planning and understanding of business strategy, business plan and the accomplishment thereof;

- 4) risk management;
- 5) accounting and auditing;
- 6) corporate governance including the internal controls system; and
- 7) the analysis of the credit institution's financial information.

(3) When assessing the abilities of a candidate for a member of the management board, on the basis of an interview, presentation or other information the assessment may be made of their decisiveness, strategic vision, ability to assess risks, leadership, power of persuasion, and the willingness of the member to engage in ongoing learning and professional development, taking into account the area of competence to which the candidate is being appointed and the responsibilities that such a position implies.

(4) By way of derogation from paragraph (1) of this Article, where a credit institution's supervisory board has five or more members, one member of the supervisory board may have the higher education qualification of 180 CSPK.

(5) To create conditions for easier understanding of the structure, business model, risk profile, governance arrangement of the credit institution and the role of management bodies in the credit institution, the credit institution shall provide adequate training or education for the members of the supervisory or management board.

### **Relevant experience of the members of the supervisory board**

#### **Article 5**

(1) A candidate for a member of the supervisory board shall be deemed to have met the requirement regarding the relevant experience within the meaning of Article 43 paragraph (1) item 3) of the Law if they possess the experience:

- 1) as a member of the management body of a credit institution;
- 2) as a member of the management body of a financial institution or an insurance undertaking;
- 3) working within an authority competent for the supervision or oversight of credit or financial institutions on jobs the performance of which has granted them relevant knowledge and experience;
- 4) performing scientific research;
- 5) working in key managerial positions with government administration bodies;
- 6) managing organisational units of credit or financial institutions or insurance undertakings essential for performing their activities;
- 7) managing a branch of a credit or financial institution or an insurance undertaking;
- 8) as a procurator or advisor to the management body of a credit or financial institution or an insurance undertaking; or
- 9) managing financial operations in business undertakings with large volume and complexity of operations.

(2) The experience referred to in paragraph (1) item 1) of this Article shall mean at least three consecutive years of experience in performing the function of a member of the management body in a credit institution.

(3) The experience referred to in paragraph (1) items 2) to 9) of this Article shall mean at least five years of experience in performing these functions.

(4) When assessing the experience of a candidate for a member of the supervisory board, it shall be verified whether the candidate has sufficient experience to provide constructive challenge to the decisions and effective oversight of the management board, as well as to fulfil other obligations stipulated for the members of the supervisory board.

### **Relevant experience of the members of the management board**

#### **Article 6**

(1) A candidate for a member of the management board shall be deemed to have met the requirement regarding the relevant experience within the meaning of Article 52 paragraph (1) item 3) of the Law if they possess the experience:

- 1) serving on the management body of a credit or financial institution or an insurance undertaking;
- 2) managing organisational units of a credit institution essential for performing its activities of that credit institution;
- 3) managing a branch of a credit institution;
- 4) managing financial operations at management board or executive director level or the level immediately below in large corporates;
- 5) working in key managerial positions with government administration bodies;
- 6) working within an authority competent for the supervision or oversight of credit institutions; or
- 7) performing the activities of a procurator or advisor to the management body of a credit institution.

(2) When assessing the experience referred to in paragraph (1) of this Article, particular analysis shall be performed of experience in performing the activities relating to:

- 1) banking and financial markets;
- 2) regulatory requirements;
- 3) strategic planning and understanding of business strategy, business plan and the accomplishment thereof;
- 4) risk management;
- 5) accounting and auditing;
- 6) the assessment of the effectiveness of a credit institution's procedures and measures as well as governance, oversight and control arrangements; and
- 7) the analysis of a credit institution's financial information, identification of key issues based on this information and appropriate controls.

(3) The experience referred to in paragraph (1) items 1) to 3) of this Article shall mean at least three consecutive years of experience in the same credit institution or the same group of credit institutions in the past ten years.

(4) The experience referred to in paragraph (1) items 4) to 7) of this Article shall mean at least five consecutive years of experience in the same institution or the same group of credit institutions, body or entity in the past ten years.

(5) By way of derogation from paragraphs (3) and (4) of this Article, the criterion of a consecutive 10 years' experience need not be met if the credit institution can prove that the candidate's minimum three and five years, respectively, of consecutive experience have been acquired in a sufficiently long period.

(6) When assessing the length of a candidate's experience, several short-term or temporary positions may be taken into account if it is established that, including the candidate's past positions, the candidate has acquired at least three consecutive years of experience in the activities referred to in paragraph (1) items 1) to 3) of this Article, or five consecutive years of experience in the activities referred to in paragraph (1) items 4) to 7) of this Article.

(7) In addition to the criteria referred to in paragraphs (1) to (6) of this Article, the candidate's previous experience shall be assessed with respect to the function and the credit institution to which a candidate is appointed, according to the following criteria:

- 1) the type of managerial function and its position in the hierarchy;
- 2) the duration of the employment;
- 3) the nature and complexity of operations carried out by the candidate, including the organisational structure within which the operations were carried out;
- 4) the scope of competences, decision-making powers and responsibilities of the candidate;
- 5) the professional knowledge the candidate has acquired in that function;
- 6) the number of subordinates of the candidate.

(8) The experience acquired in a credit institution within the meaning of Article 5 of this Decision and this Article, shall be considered experience gained in a credit institution having its head office in Montenegro and in a third country.

### **Independence of mind of the members of the supervisory board and management board**

#### **Article 7**

(1) A candidate for a member of the supervisory or management board shall be deemed to have met the requirement regarding the ability to express their independence of mind within the meaning of Article 43 paragraph (1) item 2) and Article 52 paragraph (1) item 2) of the Law, if:

- 1) that person shows:
  - the courage, ability to effectively assess and challenge the decisions proposed by other members of the supervisory board or management board;
  - the ability to take active part in the discussions and considerations of issues during the supervisory or management board meetings; and
  - the ability to resist "group think" within the management or supervisory board of a credit institution;
- 2) in connection to that person, there is no conflict of interest that cannot be managed in a manner that ensures the independence of mind.

(2) When assessing the conditions referred to in paragraph (1) item 1) of this Article, the candidate's past and current business behaviour shall be taken into account.

(3) A conflict of interest that cannot be managed by a credit institution, within the meaning of paragraph (1) item 2) of this Article, shall be deemed to exist where:

- 1) a candidate for a member of the supervisory board or management board, or a person acting in concert with the candidate, has a significant business relationship with that credit institution;

- 2) a candidate for a member of the supervisory board or management board is also a member of the supervisory board or management board of another credit institution, financial institution, mixed financial holding company or financial holding company providing services in the territory of Montenegro; or

(4) By way of derogation from paragraph (3) items 2) and 3) of this Article, no conflict of interest that cannot be managed by a credit institution shall be deemed to exist if a candidate for a member of the supervisory board or management board is also a member of the supervisory board or management board of:

- 1) its subsidiary undertakings which are credit or financial institutions; or
- 2) credit or financial institutions belonging to the same group of credit institutions as the credit institution proposing the candidate for a member of the supervisory or management board.

(5) When assessing the existence of a conflict of interest, at least the following shall be considered:

- 1) economic interests, e.g. shares, other ownership rights and memberships, holdings and other economic interests in undertakings or entities that are clients of the credit institution, intellectual property rights, credits or loans granted by the credit institution to a member or persons acting in concert with a member;
- 2) personal or professional relationships with the acquirers of qualifying holdings in that credit institution or its parent or subsidiary undertaking;
- 3) personal or professional relationships with employees of the credit institution or entities included within the scope of accounting or prudential consolidation;
- 4) previous employments in the past five years;
- 5) personal or professional relationships with relevant suppliers, consultancies and other service providers;
- 6) ownership of shares or holdings in an undertaking or entity with conflicting interests in relation to the credit institution; and
- 7) political influence or relationships with politically exposed persons.

(6) A credit institution shall require from a member of the supervisory board and management board to provide updated information on all known facts referred to in paragraphs (3) and (5) of this Article during the term of office as well.

### **Sufficient time commitment**

#### **Article 8**

(1) When assessing whether the candidate for a member of the supervisory or management board can commit sufficient time to perform their functions within the meaning of Article 43, paragraph (1) item 4) and Article 52 paragraph (1) item 4) of the Law, the following shall be considered in particular:

- 1) the number of executive and non-executive functions or deputy functions held simultaneously by the member;
- 2) the nature, size, scope and complexity of operations of the entity in which the member holds an executive or non-executive or deputy function;
- 3) geographical location of the entity in which the candidate performs the function and the travel time required to perform that function;
- 4) the average number of meetings held during a calendar year by the supervisory board or management board in which the member performs the function;
- 5) the meetings of the supervisory board or management board held as needed with the competent authorities and stakeholders;

- 6) the position, responsibilities and fields of competence of the member;
- 7) other functions or activities that the member performs within and outside of the financial sector;
- 8) the number of the member's functions in organisations or entities not established for the sole purpose of generating profit.

(2) The following shall in particular be considered organisations and entities referred to in paragraph (1) item 8) of this Article:

- 1) charitable organisations;
- 2) other non-profit-making organisations; and
- 3) undertakings set up for the sole purpose of managing private economic interests of the member of the supervisory board or management board or members of their families, provided that they do not require day-to-day management by the member of the supervisory board or management board.

### **Restriction to the number of functions**

#### **Article 9**

(1) Within the meaning of Article 8 paragraph (1) item 1) of this Decision, when determining the number of directorship functions that a member of the supervisory board or management board may perform simultaneously, specific circumstances and nature, scope and complexity of the credit institution's operations must be taken into account.

(2) A member of the management board of a significant credit institution referred to in Article 18 paragraph (3) of this Decision shall not, in addition to that position, hold more than two non-executive directorships.

(3) A member of the supervisory board of a significant credit institution referred to in Article 18 paragraph (3) of this Decision shall not, in addition to that position, hold:

- 1) more than one executive and one non-executive directorships; or
- 2) more than three non-executive directorships.

(4) When determining the number of directorship functions referred to in paragraphs (2) and (3) of this Article, the function of an executive or non-executive director shall be considered to be one function if performed in:

- 1) undertakings within the same group;
- 2) undertakings in which the credit institution holds a qualifying holding.

(5) The functions within the organisations and entities referred to in Article 8 paragraph (2) of this Decision which are not established for the sole purpose of generating profit shall not be considered for the purposes of paragraph (4) of this Article.

(6) Restrictions referred to in paragraphs (2) and (3) of this Article shall not apply to persons representing Montenegro in the supervisory board of a credit institution.

### **Performing the function of the chairperson of the management board**

#### **Article 10**

Provisions of this Decision that apply to a member of the management board shall also apply to the chairperson of the management board.





## **Collective suitability criteria for the supervisory board and management board**

### **Article 11**

In addition to the suitability criteria referred to in Articles 3 to 9 of this Decision, members of the supervisory board or management board shall collectively have the knowledge, skills and experience in accordance with Article 42 paragraphs (2) and (3) of the Law (hereinafter: the collective suitability) at least on the following:

- 1) services provided by the credit institution and the main risks related to acting in concert;
- 2) financial and capital markets, solvency, and internal models;
- 3) accounting and reporting;
- 4) control function responsibilities;
- 5) information technology and security;
- 6) local, regional, and global markets, where applicable;
- 7) the legal and regulatory framework;
- 8) managerial skills;
- 9) strategic planning;
- 10) the management within a group of credit institutions or other appropriate group, as well as the management of risks within such groups, where applicable.

## **Criteria for determining the independence of the members of the supervisory board**

### **Article 12**

A member of the supervisory board shall be considered to be independent if:

- 1) they do not hold a significant holding in the credit institution or an undertaking acting in concert with the credit institution;
- 2) they do not serve or have not served in the previous five years as a member of the management body of that credit institution or an undertaking acting in concert with that credit institution;
- 3) they or a person acting in concert with them do not have a significant business relationship with the credit institution;
- 4) they are not an employee of the credit institution's controlling shareholder or are not otherwise associated by acting in concert with the controlling shareholder;
- 5) they are not an employee of the credit institution or an undertaking within the scope of prudential or accounting consolidation;
- 6) they have not been in the previous three years a member of the senior management of a credit institution or another undertaking within the scope of prudential or accounting consolidation and have not been directly accountable to the management board;
- 7) they have not been in the previous three years a member or a partner of an undertaking which has provided audit or consultancy services to the credit institution or another undertaking within the scope of prudential or accounting consolidation, or if they have not been an employee of an undertaking that generates or has generated most of its profit by providing services to that credit institution;
- 8) they have not in the previous 12 months:
  - been a material supplier or material customer of the credit institution or another undertaking within the scope of prudential or accounting consolidation;

- had another material business relationship with the credit institution or been otherwise associated directly or indirectly by acting in concert with persons referred to in indent 1 of this item;
  - been an employee with special powers or otherwise associated directly or indirectly by acting in concert with persons referred to in indent 1 or 2 of this item;
- 9) they do not receive or have not received, in addition to the remuneration for performing the function of a member of the supervisory board, from a credit institution or an undertaking within the scope of prudential or accounting consolidation, significant fees or do not make or have not made significant income;
- 10) they have not served as member of the supervisory board or management board of the credit institution for 12 consecutive years or longer;
- 11) they are not connected by acting in concert to a member of the management board of a credit institution or another undertaking within the scope of prudential or accounting consolidation, or is not connected by acting in concert to any of the persons referred to in items 1) to 10) of this Article.

### **Holders of core functions in a credit institution**

#### **Article 13**

(1) A credit institution shall appoint as a holder of core function a person for which it has determined, in accordance with a policy for selecting and assessing the suitability criteria, that they meet the suitability criteria.

(2) The suitability criteria referred to in paragraph (1) of this Article shall be the following:

- 1) good repute, honesty and integrity,
- 2) possession of relevant professional knowledge, skills and experience to meet the obligations required to perform the activities of a core function,
- 3) absence of any conflict of interest in relation to the credit institution, shareholders, members of the supervisory board and management board, and senior management of the credit institution, which may influence the independence of mind of that person,
- 4) ability to commit sufficient time to perform the activities within the competence of a core function holder; and
- 5) other prescribed requirements for the performance of the core functions.

(3) When assessing relevant professional knowledge, skills and experience of holders of core functions, the credit institution shall take into consideration the type of core function and area of responsibility of the core function holder.

(4) Provisions of Articles 3 to 8 of this Decision shall apply *mutatis mutandis* to the assessment of the fulfilment of the requirements referred to in paragraph (2) of this Article.

### **III. DOCUMENTATION TO BE ENCLOSED WITH THE APPLICATION FOR GRANTING APPROVAL**

#### **Application for granting the approval for performing the function of a member of the supervisory board or a member of the management board**

##### **Article 14**

(1) The application for granting the approval for performing the function of a member of the supervisory board or a member of the management board shall include:

- 1) data on the applicant credit institution;
- 2) data on the person for which the application is being submitted (name, surname, place and date of birth, domicile or habitual residence, citizenship, personal identification number);
- 3) data on the position to which the candidate is being appointed, planned beginning and duration of the term of office, description of the tasks and responsibilities of the candidate and business areas for which they will be responsible, and, where the candidate is replacing an existing member of the supervisory board or management board, the name and surname of the person the candidate will replace;
- 4) statement of grounds for the proposal of the decision or the decision with suspensory effect on the selection, or the proposal of the decision on the appointment of the candidate.

(2) The application referred to in paragraph (1) of this Article shall be submitted in the form set out in Annex 1, which is integral to this Decision.

(3) Along with the application for granting the approval for performing the function of a member of the supervisory board or a member of the management board in the form of the questionnaire provided in Annex 2 which is an integral part of this Decision, the following shall be submitted:

- 1) information on the candidate's educational background (educational level, including a chronological list of all educational levels completed, completion years, duration, and the academic titles received);
- 2) information on the candidate's professional training, including a chronological list of all professional training courses attended, course topics, organisers and duration and the years of taking professional training examinations, obtaining certificates, diplomas, licences, etc.;
- 3) for a candidate who is a foreign national, information about the level of knowledge of the language that is in official use in Montenegro;
- 4) information on the candidate's work experience, including a chronological list of all employers and positions held or functions performed specifying the periods during which they performed individual functions;
- 5) data on the activities performed by a candidate in the past ten years, specifically the following: data on the type of function or the job position with a description of activities in accordance with internal organisation act, as well as the graphic representation of the organisational structure (organogram) of the employers with which they have performed that functions and/or these activities, professional knowledge acquired in that function, a description of competences, and/or powers, and the number of subordinates;
- 6) at an initial appointment or selection, a reference given by the immediate superior of the employer with which the candidate worked in the past three years, if available and, in the case that such reference is unavailable, the

- reasons for unavailability (for a candidate that has performed a function of a member of the management board the reference shall be provided by a member of the supervisory board of that employer);
- 7) information on whether any proceedings have been initiated against the candidate, or whether the candidate has been convicted by a judgement with final force and effect of one or more criminal offences referred to in Article 3 paragraph (1) items 1) and 2) of this Decision;
  - 8) information on whether the candidate has been imposed a security or safeguard measure, or whether any proceedings have been initiated against the candidate for violation of any of the regulations governing banking, financial or insurance activities, or capital markets, payment services, or the provision of financial services or any other relevant regulations, which may give rise to doubt as to the good repute, honesty and integrity of the candidate, or which may adversely affect the financial stability of the candidate;
  - 9) information on whether the candidate or the undertaking they have managed has become a debtor in bankruptcy or similar proceedings;
  - 10) information on whether the candidate is a party to any civil or administrative proceedings which might adversely affect their financial stability;
  - 11) information on the candidate's financial position, including the information on whether the candidate's property and income enable them to meet their financial obligations in the future, whether the candidate is included in any relevant list of debtors, and whether foreclosure or bankruptcy proceedings have been initiated over the candidate's property;
  - 12) information on the financial and business results of undertakings in which the candidate is or has been a majority shareholder or holder of interest, or in which the candidate has significant holdings, or in which they have performed the function of a member of the management board or other managerial function, including the information on whether any of these undertakings has been under temporary administration, in resolution, bankruptcy or winding-up proceedings or the undertaking's authorisation or license has been withdrawn;
  - 13) a description of all financial (e.g. credits, loans, shares, business holdings, etc.) and non-financial interests or professional, business or personal relationships of the candidate and the persons acting in concert with the candidate with the credit institution (including the parent undertaking and any subsidiary undertakings of that credit institution) and its members of the supervisory board and management board and core function holders, as well as the following information on:
    - any conflict of interest of any of these persons in relation to the credit institution (including the parent undertaking and any subsidiary undertakings of that credit institution);
    - whether the candidate for the function of the member of the supervisory board of the credit institution was proposed by a shareholder with a significant holding in the credit institution;
    - all existing financial obligations towards the credit institution, its parent undertaking and any subsidiary undertakings and relationships with politically exposed persons;
  - 14) information on whether the suitability assessment of the candidate has been carried out by another competent authority (including the data on that authority and evidence of the result of such an assessment).

## **Documentation to be enclosed with the application**

### **Article 15**

(1) The following shall be enclosed with the application for granting the approval for performing the function of a member of the supervisory board or a member of the management board:

- 1) the proposal of the decision, or decision with suspensory effect, on the selection of a candidate for a member of the supervisory board, and/or the proposal of these decisions by a specific shareholder, if the Articles of Association provide that an individual shareholder appoints a certain number of members of the supervisory board;
- 2) the proposal of the decision on the appointment of a candidate for a member of the management board;
- 3) the results of the suitability assessment carried out by the credit institution, including the statement of grounds and information on the persons that carried out the suitability assessment;
- 4) a certified copy of the identity card or another identification document;
- 5) a certified copy of the diploma of higher education qualification, or the translation of a foreign university diploma certified by a certified court interpreter for a member of the supervisory board, or proof of recognition of a foreign university diploma for a member of the management board;
- 6) for candidates who, at the time of application, do not perform the function of a member of the supervisory board or management board of a credit institution in Montenegro, a certificate issued by the employer in which the candidate has acquired the experience referred to in Articles 5 and 6 of this Decision, specifying the type of function and the description of the job position, the professional knowledge that the candidate acquired in that function, the nature and complexity of the activities performed by the candidate, including the organisational structure in which the activities were performed, the description of competences and the scope of powers, and, where appropriate, the number of candidate's subordinates in accordance with the organisational structure;
- 7) the questionnaire set out in Annex 2 of this Decision;
- 8) where available, the references given by immediate superiors for the past three years;
- 9) a statement as to whether the candidate for a member of the supervisory board or the management board has been convicted by a judgement with final force and effect or whether any criminal proceedings referred to in Article 3 paragraph (1) items 1) and 2) of this Decision have been initiated against them, as well as whether the candidate has been convicted by a judgement with final force and effect of any misdemeanour, and whether any misdemeanour proceedings have been initiated against the candidate for a member of the supervisory and/or a management board;
- 10) an excerpt from criminal history records and misdemeanour records that is not older than three months, and where a candidate who is a foreign national is not able to obtain such evidence, a statement to that effect;
- 11) if a conflict of interest which can be managed has been established to exist, the measures planned or taken for mitigating and/or eliminating such conflict of interest;
- 12) the work programme referred to in Article 16 of this Decision; and
- 13) training and education plan in accordance with Article 4 paragraph (5) of this Decision.

(2) The documents referred to in paragraph (1) items (5), (6) and (8) of this Article shall be enclosed only in the case of initial appointment of a candidate for a member of the supervisory or the management board.

(3) In addition to the documents referred to in paragraph (1) of this Article, the credit institution may enclose with the application other documents testifying to the candidate's fulfilment of suitability criteria.

(4) The form of the questionnaire referred to in paragraph (1) item 7) of this Article is set out in Annex 2, which is an integral part of this Decision.

(5) The statement referred to in paragraph (1) item 9) of this Article shall be submitted in a form set out in Annex 3, which is an integral part of this Decision.

(6) The results of the suitability assessment referred to in paragraph (1) item 3) of this Article shall be submitted in a form set out in Annex 4, which is an integral part of this Decision.

## **Work programme**

### **Article 16**

(1) The work programme to be enclosed with the application for granting the approval for performing the function of a member of the management board in accordance with Article 53 paragraph (3) of the Law shall contain in particular the following:

- 1) a summary of the analysis of business operations specifying performance and efficiency indicators of the credit institution, including:
  - the risk profile of the credit institution including as a minimum an assessment of the exposure to credit risk, market risk, operational risk, interest rate risk in the non-trading book and an assessment of the exposure to liquidity risk in the credit institution in which the candidate is proposed for appointment as a member of the management board, and
  - a projection of the financial position of the credit institution consisting of at least the balance sheet and profit and loss statement for the period of the term of office, which in terms of its content corresponds to the balance sheet and profit and loss statement submitted to the Central Bank in accordance with a separate regulation;
- 2) a description of the credit institution's business environment and its position in relation to peer credit institutions and the banking system as a whole, specifying the identified advantages and weaknesses in relation to peer groups of credit institutions;
- 3) a description of macroeconomic and other assumptions which were taken into account in drafting the work programme;
- 4) a detailed description of the activities planned for the period of the term of office and the planned implementation dynamics, indicating any major changes to the current condition;
- 5) planned activities and infrastructural adjustments associated with the information system, internal policies and procedures, the internal control system and other supporting functions needed by the credit institution;
- 6) depending on the activities planned, an explanation of the possible needs for organisational adjustments and a detailed breakdown of the new organisational scheme indicating new core function holders in the credit institution; and

- 7) the allocation of tasks and duties among the members of the management board, including an explanation and changes in relation to the current condition and possible changes to the management board.

(2) When compiling the work programme referred to in paragraph (1) of this Article, the credit institution's business strategy and financial plan shall be taken into consideration in order to elaborate in detail the individual elements of the work programme which are relevant for the implementation and effects of the activities planned within the scope of future work and responsibilities of the candidate for a member of the management board.

#### **IV. POLICIES ON SELECTION AND SUITABILITY ASSESSMENT AND ASSESSMENT DYNAMICS**

##### **Policies on selection and suitability assessment**

###### **Article 17**

(1) When adopting policies on selection and suitability assessment, the credit institution shall take the following into consideration:

- 1) nature, scope and complexity of the credit institution's operations;
- 2) the credit institution's risk profile; and
- 3) the credit institution's business strategy.

(2) The policies referred to in paragraph (1) of this Article shall contain in particular:

- 1) the area of operations of the members of the supervisory board or the management board, and other persons responsible for management of operations within specific areas of operations of the credit institution, which shall be established by the management board;
- 2) adequate professional knowledge, skills and experience required to meet the obligations falling within their competence in accordance with the provisions of this Decision;
- 3) time required to meet the obligations from the area of operations of a member of the supervisory or management board, including a procedure to determine if the candidate can commit sufficient time to meet the obligations from their area of operations;
- 4) the situations, relationships and circumstances which represent or might represent a conflict of interest, the measures for eliminating conflicts of interest, and/or measures for managing and mitigating any potential conflict of interest;
- 5) the manner to ensure diversity referred to in Article 18 of this Decision; and
- 6) procedures for dealing with sudden absence or termination of the function of a member of the supervisory board or management board before the expiry of the term of office.

(3) Prior to adopting a proposal of the decision, or the decision with suspensory effect on the selection of the candidate for a member of the supervisory board, or a proposal of the decision on appointing a candidate for a member of the management board, and implementing activities in accordance with Article 20 of this Decision, a credit institution shall make a list of short-listed candidates, taking into account the manner of ensuring diversity referred to in Article 18 of this Decision.



(4) The parent credit institution in a group of credit institutions in Montenegro shall adopt a policy on the suitability assessment referred to in paragraph (1) of this Article at the group level and ensure its implementation in all subsidiary undertakings in the scope of prudential consolidation.

## **Diversity in the composition of the supervisory board and management board**

### **Article 18**

(1) For the purpose of ensuring the diversity referred to in paragraph (1) of this Article, the credit institution shall envisage a wide scope of professional knowledge, skills and experience of the members of the supervisory board or management board, in order to enable the representation of diverse positions and experiences, in the aim of achieving greater degree of independence of mind in decision-making and execution of tasks of the supervisory board or management board, thereby taking into consideration the education and professional experience, gender, age and geographical origin of a member of the supervisory board or management board, where applicable.

(2) To ensure diversity, a significant credit institution shall quantify the targeted participation of the underrepresented gender in the supervisory board or management board and determine the strategy and timeframe for meeting that target.

(3) Any credit institution defined as other systemically important credit institution (O-SICI) in accordance with the Law, and any credit institution whose three-year asset average reported in audited financial statements at the end of three previous business years exceeds the amount of EUR 250,000,000 shall be deemed a significant credit institution.

## **Suitability assessment procedure**

### **Article 19**

In its policies referred to in Article 17 of this Decision, a credit institution shall define a procedure for the suitability assessment including in particular the following:

- 1) carrying out the suitability assessment of a member of the supervisory board or management board and a core function holder by a competent authority in a credit institution;
- 2) the time limits for the delivery of documentation, the time limits for and the method of carrying out the procedure, the manner of giving response by the assessed persons, and the manner of reporting on the results of the procedure;
- 3) the information and documentation to be submitted by the candidate or a member of the supervisory board or management board, and a core function holder to the credit institution for the assessment purposes;
- 4) the situations, events and circumstances necessitating an extraordinary suitability assessment, including a deadline no longer than eight days during which a member of the supervisory board or management board shall inform the credit institution of the changes relevant for their suitability;
- 5) the form and method of keeping the documentation on a completed suitability assessment procedure.

## **Implementation of suitability assessment procedure**

### **Article 20**

(1) A credit institution shall, prior to submitting an application referred to in Article 14 of this Decision, carry out the suitability assessment procedure for each candidate for the member of the supervisory board or management board.

(2) A credit institution shall also carry out the suitability assessment procedure for each candidate for a core function holder in a credit institution before their appointment to that function.

(3) By way of derogation from paragraph (2) of this Article, where the circumstances of the appointment have not allowed a prior suitability assessment procedure to be carried out, a credit institution may carry out the suitability assessment for a core function holder after their appointment, within 30 days of the day of the appointment.

(4) Where, during the procedure referred to in paragraph (3) of this Article, a credit institution establishes that a candidate for a core function holder is not suitable, that person may not continue to perform the function to which they have been appointed.

(5) A credit institution shall carry out the assessment of conflict of interest referred to in Article 7 paragraph (5) of this Decision in relation to the current members of the supervisory board or management board, and it shall document, monitor and duly manage each actual or potential conflict of interest and, where necessary, take measures to reduce and eliminate conflict of interest to ensure the independence of mind and independence in performing duties.

(6) Where in accordance with Article 7 paragraph (5) of this Decision, it establishes the existence of a conflict of interest that may influence the independence of mind of a member of the supervisory board or management board, a credit institution shall, without delay, notify the Central Bank thereof, including the measures it has taken to reduce such influence.

## **Assessment of collective suitability**

### **Article 21**

(1) When assessing the fulfilment of suitability criteria set out in this Decision, a credit institution shall also perform an assessment of collective suitability in accordance with Article 10 of this Decision.

(2) A credit institution shall develop a methodology for collective suitability assessment of the supervisory board or management board in accordance with the provisions of this Decision.

## **Suitability assessment dynamics**

### **Article 22**

(1) A credit institution shall, at least once a year, carry out a regular assessment of the suitability of the members of the supervisory board or management board and core function holders, in order to verify that they meet the suitability criteria.

(2) When performing regular annual suitability assessment of the chairperson or individual members of the supervisory board or management board, a credit institution shall also take collective suitability into account.

(3) A credit institution shall carry out without delay an extraordinary suitability assessment of a member of the supervisory board or management board or a core function holder when the circumstances occur which give rise to doubt as to individual or collective suitability, and particularly in an event or situation with a material impact on the good repute, honesty, integrity or any other criteria for suitability assessment, including the cases where a member of the supervisory or management board or a core function holder is found to be in a conflict of interest that cannot be managed, and in the case of a change in this person's scope or structure of powers.

(4) Extraordinary suitability assessment shall only be carried out in relation to the impact of the change in circumstances referred to in paragraph (3) of this Article on the fulfilment of suitability criteria of a member of the supervisory board or management board or a core function holder.

(5) Following the procedure referred to in paragraph (1) of this Article, the credit institution shall, no later than 30 June of the current year for the previous year, submit to the Central Bank an updated questionnaire referred to in Article 15 paragraph (1) item 7) of this Decision for members of the supervisory board or management board and attach reasoned results of the conducted regular assessment.

(6) Where any change occurs in the information provided in the questionnaire referred to in paragraph (5) of this Article which gives rise to doubt as to whether a member of the supervisory board or management board meets the prescribed suitability criteria, a credit institution shall notify the Central Bank thereof no later than eight days after such a change is observed, and initiate the procedure of an extraordinary suitability assessment.

### **Procedure following the suitability assessment and credit institution's corrective measures**

#### **Article 23**

(1) Where a credit institution establishes, in the procedure of regular or extraordinary suitability assessment, that a member of the supervisory board, or the chairperson or a member of the management board no longer meets the suitability criteria, it shall without delay notify the Central Bank and initiate the procedure for the selection of a new member.

(2) By way of derogation from paragraph (1) of this Article, where a credit institution concludes that the established shortcomings can be removed in the short term, the credit institution may take appropriate corrective measures to remove such shortcomings, unless the shortcomings are such that the person does not meet the criteria of good repute, honesty and integrity which may not be remedied by corrective measures.

(3) In the case referred to in paragraph (2) of this Article, a credit institution shall, within eight working days from the date of completion of the assessment procedure, notify

the Central Bank of the results of the assessment and of corrective measures it has taken in order to remove identified shortcomings.

(4) Provision of paragraphs (1) and (2) of this Article shall also apply to core function holders, except in the part relating to notifying the Central Bank.

(5) Where a credit institution establishes shortcomings when assessing collective suitability of the supervisory board or management board, it shall take corrective measures to remove them in a timely manner and it shall notify the Central Bank thereof without delay.

(6) The corrective measures that a credit institution shall take in accordance with paragraphs (2) and (5) of this Article may include:

- 1) measures for mitigating or eliminating conflict of interest;
- 2) measures for professional training of members of the supervisory board or management board or core function holders; and
- 3) other measures to ensure individual and collective suitability of the supervisory board or management board.

(7) A credit institution shall adequately document all suitability assessment procedures carried out for the members of the supervisory board or management board and core function holders in a credit institution, including regular and extraordinary suitability assessment procedures.

(8) Members of the supervisory board or management board and core function holders shall notify the competent authority in the credit institution of any event or circumstance having a material impact on their suitability for performing the functions to which they have been appointed, or to notify it, at least once a year, that the data underlying the initial suitability assessment have not changed.

## **V. TRANSITIONAL AND FINAL PROVISIONS**

### **Deadline for submitting the application**

#### **Article 24**

Credit institutions shall submit to the Central Bank their applications for granting the approval for the selection of members of the supervisory board no later than 1 February 2021, or their applications for granting the approval for the selection of members of the management board no later than 1 March 2021.

### **Repealed Regulations**

#### **Article 25**

As from the commencement date of the application of this Decision, the Decision on More Detail Requirements to be Met by The Member of the Bank's Board of Directors (OGM 80/10) shall be repealed.

## **Entry into force**

### **Article 26**

This Decision shall enter into force on the day following that of its publication in the Official Gazette of Montenegro, and it shall apply from the date of application of the Law on Credit Institutions (OGM 72/19).

## **THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO**

Decision number: 0101-7060-3/2020

Podgorica, 26 November 2020

**CHAIRMAN**

**G O V E R N O R,**

**Radoje Žugić m.p.**

**APPLICATION  
FOR GRANTING THE APPROVAL FOR PERFORMING THE FUNCTION OF A  
MEMBER OF THE SUPERVISORY BOARD/ CHAIRPERSON OR A MEMBER OF  
THE MANAGEMENT BOARD OF A CREDIT INSTITUTION**

1. Data on the applicant credit institution:

Credit institution: \_\_\_\_\_  
Head office: \_\_\_\_\_  
ID number: \_\_\_\_\_

2. The application is submitted for the purpose of granting the approval for performing the function of

- member of the supervisory board
- chairperson of the management board
- member of the management board

3. Data on the candidate

Name and surname: \_\_\_\_\_  
Date and place of birth: \_\_\_\_\_  
Domicile/habitual residence: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Personal identification number/ID document number: \_\_\_\_\_

4. Description of duties and responsibilities and the area of operations which will be under their competence:

\_\_\_\_\_

5. Proposed commencement and duration of the term of office: \_\_\_\_\_

6. Statement of grounds for the proposal of the decision or the decision with suspensory effect on the selection, and/or the appointment of the candidate:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Person authorised for submitting the application:

\_\_\_\_\_  
**Note:** *The documentation specified in Article 15 of this Decision is attached to this application*

## QUESTIONNAIRE

**FOR THE CANDIDATE FOR A MEMBER OF THE SUPERVISORY  
BOARD/CHAIRPERSON OR A MEMBER OF THE MANAGEMENT BOARD OF A  
CREDIT INSTITUTION**

<b>1.</b>	<b>CREDIT INSTITUTION</b>	
<b>2.</b>	<b>CANDIDATE IS PROPOSED FOR SELECTION/APPOINTMENT TO THE FUNCTION OF</b>	
	Data on the position to which the candidate is appointed	
	Planned commencement and duration of the term of office	
	Description of duties and responsibilities and the area of operations which will be under their competence	
	Where the candidate is replacing a member of the supervisory/management board, the name and surname of the person the candidate will replace	
<b>3.</b>	<b>PERSONAL DATA ON THE PROPOSED CANDIDATE</b>	
	Name and surname (maiden name, where applicable):	
	Name and surname of parents:	
	Date and place of birth:	
	Domicile/habitual residence:	
	Citizenship:	
	Personal identification number:	
	Telephone number:	
	E- mail:	
<b>4.</b>	<b>EDUCATIONAL QUALIFICATIONS</b>	
	Educational level, including a chronological list of all educational levels completed, completion years, duration, and the academic titles received	

<b>5.</b>	<b>PROFESSIONAL TRAINING</b>	
	Chronological list of all professional training, including course topics, organisers and duration, the years of taking professional training examinations, obtained certificates, diplomas, licences, etc.	
<b>6.</b>	<b>PROFICIENCY LEVEL OF THE LANGUAGE THAT IS IN OFFICIAL USE IN MONTENEGRO</b>	
	(only for candidates which are foreign nationals)	
<b>7.</b>	<b>WORK EXPERIENCE</b>	
	Chronological list of all employers and positions held or functions performed specifying the periods during which individual functions were performed	
	<p>For activities performed by a candidate in the past ten years, the following shall be specified:</p> <ul style="list-style-type: none"> <li>- the type of function or the job position with a description of activities in accordance with internal organisation act,</li> <li>- professional knowledge acquired in performing that function,</li> <li>- a description of activities performed in that job position or function,</li> <li>- the organisational structure of the employer with which that function and/or these activities were performed at the time of working in that position</li> <li>- the scope of competences, decision-making powers, and responsibility,</li> <li>- the number of this person's subordinates in accordance with the organisational structure</li> </ul>	
<b>8.</b>	<b>REFERENCE</b>	
	A reference given by the immediate superior with the employer with which the candidate worked in the past three years, if available and, in the case that	



	such reference is unavailable, the reasons for unavailability (for a candidate that has performed a function of a member of the management board the reference shall be provided by a member of the supervisory board of that employer);	
<b>9.</b>	<b>INFORMATION ON PROCEEDINGS AND CRIMINAL LIABILITY</b>	
	<p>Information on whether any proceedings have been initiated against the candidate, or whether the candidate has been convicted by a judgement with final force and effect of one or more criminal offences referred to in Article 3 paragraph (1) items 1) and 2) of this Decision;</p> <p>Information on whether the candidate has been imposed a security or safeguard measure, or whether any proceedings have been initiated against the candidate for violation of any of the regulations governing banking, financial or insurance activities, capital markets, payment services, or the provision of financial services or other regulations, which may give rise to doubt as to the good repute, honesty and integrity of the candidate, or which may adversely affect the financial stability of the candidate;</p>	
<b>10.</b>	<b>STATUS OF DEBTOR IN BANKRUPTCY OR SIMILAR PROCEEDINGS</b>	
	Information on whether the candidate or the undertaking they have managed has been or has become a debtor in bankruptcy or similar proceedings;	
<b>11.</b>	<b>PARTICIPATION IN A CIVIL OR ADMINISTRATIVE PROCEEDINGS</b>	
	Information on whether the candidate is a party to any civil or administrative proceedings which might adversely affect their financial stability	

<b>12. FINANCIAL POSITION</b>	
Description of the candidate's financial position, including the information on whether the candidate's property and income enable the candidate to meet their financial obligations in the future	
Is the candidate is included in any relevant records of debtors	
Have foreclosure or bankruptcy proceedings been initiated over the candidate's property	
<b>13. FINANCIAL AND BUSINESS RESULTS</b>	
Information on the financial and business results of undertakings in which the candidate is or has been a majority shareholder or holder of interest, or in which the candidate has significant holdings, or in which they perform the function of a member of the management board or another managerial function, including the information on whether any of these undertakings has been under temporary administration, in resolution, bankruptcy or winding-up proceedings or the undertaking's authorisation or license has been withdrawn;	
<b>14. DESCRIPTION OF FINANCIAL AND NON-FINANCIAL INTERESTS</b>	
A description of all financial (e.g. credits, loans, shares, holdings, etc.) and non-financial interests or professional, business or personal relationships of the candidate and the persons acting in concert with the candidate with the credit institution (including the parent undertaking and any subsidiary undertakings of that credit institution) and its members of the supervisory board and management board and core function holders, as well as the following information on:	
- any conflict of interest of these persons in relation to the credit institution (including the parent	

	undertaking and any subsidiary undertakings of that credit institution);	
	- whether the candidate for the function of the member of the supervisory board of the credit institution was proposed by a significant shareholder;	
	- all existing financial obligations towards the credit institution, its parent undertaking and any subsidiary undertakings and relationships with politically exposed persons.	
<b>15.</b>	<b>SUITABILITY ASSESSMENT BY ANOTHER COMPETENT AUTHORITY</b>	
	Information on whether the suitability assessment of the candidate has been carried out by another competent authority).  Specify the data on the competent authority	
	Results and evidence of the assessment	

## DECLARATION

### of accuracy and completeness of the submitted information

I hereby declare that all answers are accurate and complete within the limits of my knowledge and that I have not hidden any information that could influence the decision of the Central Bank of Montenegro.

I hereby undertake to notify the Central Bank of Montenegro of any changes that could significantly affect the granting of the approval for performing the function.

Place and date

Candidate's signature

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**STATEMENT  
OF THE CANDIDATE FOR A MEMBER OF THE SUPERVISORY  
BOARD/CHAIRPERSON OR A MEMBER OF THE MANAGEMENT BOARD OF A  
CREDIT INSTITUTION**

Name and surname of the candidate: \_\_\_\_\_

Date and place of birth: \_\_\_\_\_

Personal identification number/ID number: \_\_\_\_\_

Citizenship: \_\_\_\_\_

Domicile/habitual residence: \_\_\_\_\_

- |                                                                                                                                                                                                                                                                                                                                                                                                                                         |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1. Have you been convicted by a judgement with final force and effect of or have criminal offence proceedings been initiated against you for one or more criminal offences referred to in Article 3 paragraph (1) item 1) of this Decision?                                                                                                                                                                                             | YES/NO |
| 2. Have you been convicted by a judgement with final force and effect of any other criminal offence?                                                                                                                                                                                                                                                                                                                                    | YES/NO |
| 3. Have you been convicted by a judgement with final force and effect of any specific misdemeanour?                                                                                                                                                                                                                                                                                                                                     | YES/NO |
| 4. Has an investigation or a criminal proceeding been initiated against you?                                                                                                                                                                                                                                                                                                                                                            | YES/NO |
| 5. Has a misdemeanour proceeding been initiated against you?                                                                                                                                                                                                                                                                                                                                                                            | YES/NO |
| 6. Have you been imposed a security or safeguard measure, or a misdemeanour sanction, or have any proceedings been initiated against you for violation of any of the regulations governing banking, financial or insurance activities, securities operations, securities or financial or payment instruments markets, regulations governing the provision of financial services, consumer protection or any other relevant regulations? | YES/NO |
| 7. Have any other proceedings been initiated against you that might adversely affect your financial stability?                                                                                                                                                                                                                                                                                                                          | YES/NO |

If the answer to any of the above questions is affirmative, please elaborate:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Place and date

Candidate's signature

\_\_\_\_\_

**FORM FOR THE SUITABILITY ASSESSMENT OF THE MEMBER OF THE  
SUPERVISORY BOARD/CHAIRPERSON OR A MEMBER OF THE  
MANAGEMENT BOARD OF A CREDIT INSTITUTION**

Name and surname of the candidate: \_\_\_\_\_

Date and place of birth: \_\_\_\_\_

Personal identification number/ID number: \_\_\_\_\_

Citizenship: \_\_\_\_\_

Domicile/habitual residence: \_\_\_\_\_

	<b>SUITABILITY CRITERIA:</b>	<b>DOCUMENTS OR INFORMATION PROVING THE FULFILMENT OF THE CRITERIA</b>	<b>STATEMENT OF GROUNDS OF THE ASSESSMENT OF FULFILMENT OF EACH PRESCRIBED CRITERIA</b>
<b>1.</b>	<b>Good repute, honesty and integrity</b>		
	No history of convictions for criminal offences referred to in Article 3 paragraph (1) item 1) of this Decision		
	Measures by the competent regulatory authority referred to in Article 3 paragraph (1) item 3) of this Decision		
	Information on managing the undertaking in accordance with Article 3 paragraph (1) item 4) of this Decision		
	Information on behaviour referred to in Article 3 paragraph (1) item 5) of this Decision		
	Business results and financial situation of the candidate in accordance with Article 3 paragraph (1) item 6) of this Decision		
	Other grounds for suspicion referred to in Article 3 paragraph (1) item 7) of this Decision		
<b>2.</b>	<b>Professional knowledge and skills</b>		
	Appropriate professional knowledge (adequate higher education qualification or a graduate degree that is equivalent to the degree of the said higher education qualification) in accordance with Article 4 paragraphs (1) or (4) of this Decision		

	Professional training of the candidate, including a chronological list (specifying course topics, organisers and duration and the years of taking professional training examinations or obtaining certificates, diplomas, licences, etc.) in accordance with Article 4 paragraph (2) of this Decision		
<b>3.</b>	<b>Appropriate experience</b>		
	Appropriate experience in accordance with Articles 5 and 6 of this Decision		
	Description of the function performing which the experience was gained including the requirements of Article 5 paragraphs (2) and (3), and/or Article 6 paragraphs (3) to (7) of this Decision		
<b>4.</b>	<b>Independence of mind and conflict of interest</b>		
	Possession of a set of characteristics comprising independence of mind (Article 7 paragraphs (1) and (2) of this Decision)		
	Absence of a conflict of interest that cannot be managed (Article 7 paragraph (3) of this Decision)		
	An analysis of the existence of conflict of interest in accordance with Article 7 paragraph (5) of this Decision and/or eliminating the conflict of interest where the existence of a conflict of interest that can be managed in accordance with Article 20 paragraph (5) of this Decision has been established		
<b>5.</b>	<b>Sufficient time commitment</b>		
	An analysis of the fulfilment of criteria referred to in Article 8 paragraph (1) of this Decision		
	The number, type and description of functions performed by the candidate simultaneously		

<b>6.</b>	<b>Independence of the member of the supervisory board<sup>1</sup></b>	
	An analysis of the fulfilment of criteria for determining the independence of the member of the supervisory board referred to in Article 12 of this Decision	
<b>7.</b>	<b>Collective suitability</b>	
	A credit institution's assessment of collective suitability of the supervisory/management board	
	A credit institution's assessment of the manner in which the selection of candidate ensures the collective suitability of the supervisory board or management board	
	Specifying and providing a description of the methodology used by the credit institution to assess collective suitability of the supervisory / management board.	

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<sup>1</sup> Filled out for independent members of the supervisory board only.