

Pursuant to Article 44 paragraph 1 point 3) of the Central Bank of Montenegro Law (OGM 40/10, 46/10), and in conjunction with Article 30 paragraphs 10 and 11 of the Banking Law (OGM 17/08, 44/10), the Council of the Central Bank of Montenegro, at its meeting held on 27 December 20101, passed the following

D E C I S I O N

on more detail requirements to be met by the member of the bank's board of directors

Article 1

This decision shall govern more detail requirements to be met by the member of the bank's board of directors.

Article 2

A candidate for member of bank's board of directors (hereinafter: the candidate) shall meet the requirement of holding university degree provided that:

- 1) he has a university degree acquired in accordance with regulations governing higher education in Montenegro; or
- 2) he has a degree acquired abroad which is equivalent to the university degree acquired in Montenegro.

If the Central Bank of Montenegro (hereinafter: the Central Bank) cannot reliably determine that the degree acquired abroad is equivalent to the university degree acquired in the country, it may require the bank and/or the candidate to provide an evidence thereof from the competent authority.

Article 3

The candidate shall meet the requirement of having recognised personal reputation if:

- 1) he has accomplished extraordinary results during his recent professional work and personal integrity and has gained appreciation in business environment in which he has dedicated his recent work;
- 2) he has expressed readiness and ability during his recent work to respect requirements and standards arising from laws and regulations;
- 3) there are no adverse assessments and findings of the Central Bank or other competent authority on the candidate with respect to his recent work (unsuccessful performance, poor management of a bank or controlled entity, etc.).

Article 4

The candidate shall meet requirement of holding professional qualifications, professional ability and experience in managing a bank provided that:

- 1) he has experience:
 - a) of at least three years at leading positions in the bank, which include:

- membership in the bank's board of directors,
 - organisation and management of bank on daily basis (executive director, member of the bank's board of directors, etc.),
 - management of key organisational parts in the bank,
 - operations of advisor to the managing body or persons organising and managing the bank on daily basis; or
- b) at least four years at leading positions in a financial sector company (insurance, securities operations, leasing, etc.), which included:
- membership in the company's board of directors,
 - organisation and management of the company on daily basis (executive director, member of the company's board of directors, etc.),
 - management of key organisational parts in the company,
 - operations of advisor to the managing body or persons organising and managing the company on daily basis; or
- c) at least five years at leading positions in government bodies and organisations and other public authority holders, non-financial sector companies or other legal persons, and if he has acquired knowledge on such positions for which it can be reasonably assumed that it will answer to the requirements for the establishment and maintenance of risk management system to which the bank is exposed in its operations; and
- d) he has proven during his recent work the ability to perform duties successfully and assume responsibilities for the activities he has performed, and in particularly, he has not be relieved from duty or that competent authorities have not required his removal from duty.

Key organisational part in the bank and/or financial sector company, within the meaning of paragraph 1 point 1 a) and b) above, shall be organisational part within which the main operations of the bank and/or financial sector company are performed.

Article 5

This decision shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro.

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

Decision no. 0101-4014/6-3
Podgorica 27 December 2010

CHAIRMAN

GOVERNOR

Radoje Zugic, m.p.