



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Meeting No. 224/21.12.2023

Subject Assessment of suitability for the taking up of a post as a member of the
1: Board of Directors and as a key function holder – Repeal of Chapter C of
Executive Committee Act No. 142/11.6.2018 “Procedures for (a) the
authorisation of credit institutions in Greece; (b) the acquisition of, or
increase in, a holding in credit institutions; and (c) the taking up of a post as
a member of the Board of Directors and as a key function holder of credit
institutions” (Government Gazette B 2674).

THE EXECUTIVE COMMITTEE OF THE BANK OF GREECE, having regard to:

- a) Articles 28 and 55A of the Statute of the Bank of Greece (Government Gazette A 298);
- b) Law 4261/2014 “Access to the activity of credit institutions and prudential supervision of credit institutions (transposition of Directive 2013/36/EU), repeal of Law 3601/2007, and other provisions” (Government Gazette A 107), in particular the provisions of Articles 3, 4, 6, 15, 22A, 27, 66, 80, 83, 102, 114 and 124 thereof;
- c) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012 (OJ L 176/1, 27.06.2013);
- d) Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331/12, 15.12.2010), in particular Article 16 thereof;
- e) Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287/63 29.10.2013), in particular Articles 4 and 6 thereof;
- f) Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (OJ L 141/1, 14.5.2014);
- g) Law 4557/2018 “Prevention and suppression of money laundering and terrorist financing (transposition of Directive 2015/849/EU), and other provisions” (Government Gazette A 139);
- h) Law 4706/2020 “Corporate Governance of societies anonymes, modern capital market, implementation of the Directive (EU) 2017/828 of the European Parliament



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

and the Council, measures on the application of the Regulation (EU) 2017/1131 and other provisions.” (Government Gazette A 136);

- i) Bank of Greece Governor's Act 2577/9.3.2006 “Framework of operational principles and criteria for the evaluation of the organisation of Internal Control Systems of credit and financial institutions and relevant powers of their management bodies” (Government Gazette A 59);
- j) the Guidelines of the European Banking Authority and the European Securities and Markets Authority on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06); and
- k) the fact that no expenditure shall be incurred by the Government Budget as a result of the provisions of this Act,

HEREBY DECIDES:

To establish the framework for the assessment of the suitability of members of the Board of Directors and key function holders by adopting the Guidelines of the European Banking Authority and the European Securities and Markets Authority on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06), as follows:

Title I General

A. Scope

1. The provisions hereof shall be applied by institutions, as defined in Chapter B of Title I below. In particular, the provisions hereof concerning the AML/CTF officer under Article 38 of Law 4557/2018 and the member of the Board of Directors appointed under Article 38(2A) of Law 4557/2018 shall also be applied by institutions that do not fall within the definition of Chapter B of Title I below, but are subject to supervision by the Bank of Greece pursuant to Article 6(1) of Law 4557/2018.
2. Institutions shall comply with this Act on an individual, sub-consolidated and consolidated basis. Their subsidiaries that are not subject to Law 4261/2014, even if they are established in a third country, including offshore financial centres, shall apply this Act except for Chapter C of Title I.
3. Where the Board of Directors delegates, partially or fully, the executive functions to a person or persons (i.e. chief executive officer (CEO), designated consultants, executive committee, general manager), the persons who perform those executive functions by virtue of such delegation should be understood as constituting the management function of the Board of Directors. For the purposes hereof, any



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

reference to the executive members of the Board of Directors should be understood as including also the above persons, even if they are not members of the Board of Directors.

4. In cases where some responsibilities assigned to the Board of Directors are directly exercised by the general meeting of shareholders of the institution rather than the Board of Directors, the institution shall ensure that such responsibilities and related decisions are exercised, as far as possible, in line with the requirements applicable to the Board of Directors.

5. Any references to “risks” in this Act also include money laundering and terrorist financing risks, as well as environmental, social and governance (ESG) risk factors.

6. The provisions hereof concerning the assessment of key function holders shall also apply to the assessment of the AML/CTF officer under Article 38 of Law 4557/2018.

B. Definitions

7. Unless otherwise specified,, the terms used and defined in Law 4261/2014 and in Regulation (EU) 575/2013 have the same meaning in this Act. In addition, for the purposes hereof, the following definitions shall apply:

Institution	Institution, as defined in Article 3(1)(3) of Law 4261/2014, taking into account also Article 3(3) thereof.
Significant institutions	Institutions referred to in Article 124 of Law 4261/2014 [global systemically important institutions (G-SIIs) and other systemically important institutions (O-SIIs)] and, as appropriate, other institutions determined by the Bank of Greece or national law, based on an assessment of the institutions' size and internal organisation, and the nature, scope and complexity of their activities, and for the purposes of Article 83 of Law 4261/2014, financial holding companies and mixed financial holding companies that meet one of the aforementioned conditions.
Listed institutions	Institutions whose financial instruments are admitted to trading on a regulated market as referred to in the list published by the European Securities and Markets Authority (ESMA) in accordance with Article 56 of Directive 2014/65/EU, in one or more Member States.
Staff	Staff is defined as all employees of an institution and its subsidiaries within its scope of consolidation, including subsidiaries not subject to Law 4261/2014 and all executive and non-executive members of the Board of Directors.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Suitability	The degree to which an individual is deemed to have good reputation and to have, individually and collectively with other individuals, adequate knowledge, skills and experience to perform his/her/their duties. Suitability also covers the honesty, integrity and independence of mind of each individual and his or her ability to commit sufficient time to perform his or her duties.
Member	A proposed or appointed member of the Board of Directors.
Chief Executive Officer (CEO)	The person who is responsible for managing and steering the overall business activities of an institution.
Key function holder	<p>Persons with significant influence over the direction of the institution, but who are not members of the Board of Directors. These include:</p> <ul style="list-style-type: none"> - the heads of the following functions: Internal Audit, Risk Management, Compliance, - the Chief Financial Officer, and - the members of the Audit Committee. <p>Other persons may be considered to be key function holders, where such persons are identified by the institutions or by the Bank of Greece on a risk-based approach.</p> <p>Moreover, other key function holders might include heads of significant business lines, European Economic Area/European Free Trade Association branches, third country subsidiaries and other internal functions.</p>
Internal control functions	The functions of the institution that are independent of the business and corporate functions whose activities and risks they control and monitor. The independent internal control functions typically include the risk management, compliance and internal audit functions.
Chief Financial Officer (CFO)	The person who is overall responsible for managing all of the following activities: financial resources management, financial planning and financial reporting.
Prudential consolidation	The application of the prudential rules set out in Law 4261/2014 and Regulation (EU) No 575/2013 on a consolidated or sub-consolidated basis, in accordance



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

with Part One, Title 2, Chapter 2 of Regulation (EU) No 575/2013.

Consolidating institution	An institution that is required to abide by the prudential requirements on the basis of the consolidated situation in accordance with Part One, Title 2, Chapter 2 of Regulation (EU) No 575/2013.
Diversity	The situation whereby the characteristics of the members of the Board of Directors, including their age, gender, geographical provenance and educational and professional background, are different to an extent that allows a variety of views within the Board of Directors.
Geographical provenance	The region where a person has gained a cultural, educational or professional background.
Induction	Any initiative or programme to prepare a person for a specific new position as a member of the Board of Directors or as a key function holder.
Training	Any initiative or programme to improve the skills, knowledge or competence of the members of the Board of Directors or key function holders, on an ongoing or ad-hoc basis.
Directorship	A position as a member of the Board of Directors of an institution or another legal entity. Where the Board of Directors, depending on the legal form of the entity, is composed by a single person, this position is also counted as a directorship.

C. Requirement to submit questionnaires and inform the Bank of Greece

8. In case of a new appointment of a member in the Board of Directors of an institution, the institution shall notify in writing the Bank of Greece, by completing and submitting the relevant questionnaire, in accordance with the provisions of para. 11 hereof.

9. In case of a new appointment of a key function holder of an institution, the institution shall notify in writing the Bank of Greece, by completing and submitting the relevant questionnaire, in accordance with the provisions of para. 11 hereof.

10. In case of a new appointment of an AML/CTF officer under Article 38 of Law 4557/2018, if applicable, in accordance with the legislation in force, the institution shall notify in writing the Bank of Greece, by completing and submitting the relevant questionnaire, in accordance with the provisions of para. 11 hereof.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

11. In case of submission of a questionnaire in accordance with this Act, the institution shall fill in and submit, where applicable:

a) the «Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of significant institutions» set out in the Annex I hereto, for significant credit institutions established in Greece as well as for significant financial holding companies and significant mixed financial holding companies referred to in Article 22A of Law 4261/2014. This questionnaire incorporates the Questionnaire of the European Central Bank which was adopted by its Supervisory Board on 25 November 2021 regarding the fit and proper assessment of the members of the management body and of key function holders of credit institutions, financial holding companies and mixed financial holding companies which are considered “significant” pursuant to Regulation (EU) 1024/2013 and Regulation (EU) 468/2014. The questionnaire shall be submitted electronically, through the following dedicated online portal of the European Central Bank: [Banking supervision portal \(europa.eu\)](https://banking-supervision.ecb.europa.eu/).

b) the «Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions» set out in Annex II hereto, for any other category of institutions falling within the scope of this Act. The questionnaire shall be submitted in accordance with the instructions for its completion.

Where the head of the compliance function under assessment assumes his/her duties in an institution referred to in subparagraph (a) above and is also assigned the duties of AML/CTF officer under Article 38 of Law 4557/2018, the institution concerned shall follow the provisions referred to in subparagraph (a) above and in addition shall submit to the Bank of Greece, in writing and duly signed, the appointee’s declaration and the institution’s declaration included in the “Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions” of Annex II hereto, in order to be assessed by the European Central Bank and the Bank of Greece for the appointment as the head of the compliance function and by the Bank of Greece for the appointment as the AML/CTF officer under Article 38 of Law 4557/2018, respectively.

Where the head of the compliance function under assessment assumes his/her duties in an institution referred to in subparagraph (b) above and is also assigned the duties of AML/CTF officer under Article 38 of Law 4557/2018, the institution concerned shall submit the questionnaire referred to in subparagraph (b) above in order to be assessed by the Bank of Greece.

Where the person under assessment exclusively assumes the duties of AML/CTF officer under Article 38 of Law 4557/2018 in any institution, the institution concerned



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

shall submit the questionnaire referred to in subparagraph (b) above in order to be assessed by the Bank of Greece.

12. The natural persons already appointed under paras 8, 9 and 10 above shall notify the institution without delay of any change that could materially affect their suitability for the position they hold and shall resubmit, through the institution, within one (1) month from the change, the relevant questionnaire to the Bank of Greece.

13. The natural persons already appointed under paras 8, 9 and 10 above are subject to reassessment by the Bank of Greece and shall re-submit the relevant questionnaire through the institution, if they are appointed to a position other than the one they have already been assessed for, or if the requirements for holding the position they have been assessed for, have changed. This reassessment is limited to any new requirements for the new position and to any information that may have changed since the previous assessment of these persons.

14. With regard to the provisions of paras 8 to 11 and 13, without prejudice to para. 16, the institution shall submit a fully completed questionnaire without delay when the decision to propose the appointment of a particular person is taken. In any case, this submission should be made at least one (1) month prior to the proposed date of assumption of duties.

15. The suitability assessment conducted by the Bank of Greece shall be completed no later than four (4) months from the date of submission of a fully completed questionnaire by the institution. If the Bank of Greece does not take a negative decision within the assessment period, the nominee is deemed to have been implicitly assessed positively as to his/her suitability.

If the Bank of Greece deems necessary:

a) the submission of additional documentation and information to complete the assessment, the above period may be suspended from the time when the Bank of Greece requests additional documentation and information, until the date of receipt of such documentation and information,

b) the carrying out of interviews, the above period may be suspended from the time of the invitation to the interview until the completion of the interview.

It is noted that necessary documentation and information include documents or hearings that have to be requested or conducted in the course of the administrative procedures in cases where a negative decision is intended to be issued.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

In cases where the four-month (4) period is suspended one or more times, the assessment by the Bank of Greece shall be completed no later than six (6) months from the date of commencement of such period.

In exceptional circumstances where, during the assessment period, it is deemed necessary to re-submit to the Bank of Greece an already submitted questionnaire due to new information to be reported or due to significant changes to the information submitted, the four-month (4) period is calculated from the date of re-submission of the questionnaire.

16. In the duly justified cases referred to in para. 139, the institution is required to submit a completed relevant questionnaire within one (1) month from the date of appointment of the person, and to comply at the same time with the obligation laid down in Article 27 of Law 4261/2014 to inform the Bank of Greece of any change in the identity or particulars of the said persons, within ten (10) working days.

17. The institution shall inform the Bank of Greece without delay of any vacant positions within the Board of Directors or key function holders, indicating the reasons for this vacancy.

18. Where a member of the Board of Directors or a key function holder or the AML/CTF officer under Article 38 of Law 4557/2018 has been assessed within the past two years by the Bank of Greece and is under assessment or re-assessment in accordance with the above paragraphs, the institution shall submit to the Bank of Greece only the information that has changed since the previous assessment. If no changes have occurred, the institution shall provide the Bank of Greece with a statutory declaration signed by that person, informing the Bank of Greece that there are no grounds for updating this information, as it remains unchanged from the previous assessment.

19. For significant institutions, the Bank of Greece uses also interviews where appropriate for the purpose of suitability assessments. Interviews may also be performed for other institutions on a risk-based approach, taking into account the criteria set out in Title II as well as the individual circumstances of the institution, the person under assessment, and the position for which the assessment is made. The interview process may also serve to re-assess the suitability of a member of the Board of Directors or key function holder or AML/CTF officer under Article 38 of Law 4557/2018 when there are any new facts or circumstances that may raise concerns about the suitability of the person concerned. The Bank of Greece may attend or conduct meetings with the institution, including with some or all members of its Board of Directors or key function holders or the AML/CTF officer under Article 38 of Law 4557/2018, or participate as an observer in meetings of the Board of Directors and/or its committees, in order to assess its effective functioning.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Title II - The principle of proportionality

20. The proportionality principle matches governance arrangements consistently with the individual risk profile and business model of the institution and takes into account the individual position for which an assessment is made so that the objectives hereof are effectively achieved.

21. The institution shall take into account its size, internal organisation and the nature, scale and complexity of its activities when developing and implementing the policies and processes set out herein. Significant institutions have more sophisticated policies and processes, while small and less complex institutions may implement simpler policies and processes. The institution shall note that its size or systemic importance may not, by themselves, be indicative of the extent to which an institution is exposed to risks. Those policies and processes shall, however, ensure compliance, on the one hand, with the criteria specified herein for assessing the suitability of members of the Board of Directors and key function holders and, on the other hand, with the requirements of diversity in the recruitment of members of the Board of Directors and the provision of sufficient resources for their induction and training.

22. All members of the Board of Directors and key function holders shall, in any event, be of sufficiently good repute and have honesty and integrity. Moreover, they shall have independence of mind regardless of the institution's size and internal organisation, the nature, scope and complexity of its activities, and the duties and responsibilities of the specific position, including memberships held in committees of the Board of Directors.

23. For the purpose of applying the principle of proportionality and in order to ensure the appropriate implementation of the governance requirements of Law 4261/2014 which are further specified herein, the institution and the Bank of Greece shall take into account the following criteria:

- a) the size of the institution in terms of the balance sheet total, the client assets held or managed, and/or the volume of transactions processed by the institution or its subsidiaries within the scope of prudential consolidation;
- b) the legal form of the institution, including, inter alia, whether or not the institution is part of a group and, if so, the proportionality assessment for the group;
- c) whether the institution is listed or not;
- d) the activities and services for which the institution has been authorised;



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- e) the geographical presence of the institution and the size of the operations in each jurisdiction;
- f) the underlying business model and strategy, the nature and complexity of the business activities, and the institution's organisational structure;
- g) the risk strategy, risk appetite and actual risk profile of the institution, also taking into account the result of the Internal Capital Adequacy Assessment Process;
- h) the authorisation for the institution to use internal models for the measurement of capital requirements, where relevant;
- i) the type of clients; and
- j) the nature and complexity of the products, contracts or instruments offered by the institution.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Title III – Scope of suitability assessments by the institution

1. The institution's assessment of the individual suitability of members of the Board of Directors

24. The institution has the primary responsibility for ensuring, in accordance with Article 83(1) of Law 4261/2014, that the members of the Board of Directors are individually suitable at all times and shall assess or re-assess the suitability, in particular:

- a) when applying for authorisation to take up the business;
- b) when material changes to the composition of the Board of Directors occur, including:
 - i. when appointing new members of the Board of Directors, including as a result of a direct or indirect acquisition or increase of a qualifying holding in an institution. This assessment is limited to newly appointed members;
 - ii. when re-appointing members of the Board of Directors, if the requirements of the position have changed or if the member is appointed to a different position within the Board of Directors. This assessment is limited to any new requirements for the new position and to any information that may have changed since the previous assessment of the persons;
- c) on an ongoing basis, in accordance with paras 28 and 29.

25. The initial and ongoing assessment of the individual suitability of the members of the Board of Directors is the responsibility of the institution, irrespective of any assessment carried out by the Bank of Greece for supervisory purposes.

26. The institution shall assess, in particular, whether or not the members:

- a) are of sufficiently good repute;
- b) possess sufficient knowledge, skills and experience to perform their duties;
- c) are able to act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of the executive members of the Board of Directors and other relevant management decisions where necessary and to effectively oversee and monitor management decision-making;



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- d) are able to commit sufficient time to performing their functions in the institution and, where the institution is significant, whether or not the limitation of directorships under Article 83(3) of Law 4261/2014 is being complied with.

27. Where an assessment is made for a specific position, the assessment of sufficient knowledge, skills, experience and time commitment shall take into account the duties of the specific position concerned. The level and nature of the sufficient knowledge, skills and experience required from an executive member of the Board of Directors may differ from that required from a non-executive member.

28. The institution shall monitor on an ongoing basis the suitability of the members of the Board of Directors to identify, in the light of any relevant new fact, situations where a reassessment of their suitability should be performed. In particular, a re-assessment shall be performed in the following cases:

- a) when there are concerns regarding the individual or collective suitability of the members of the Board of Directors;
- b) in the event of a material impact on the reputation of the institution or of a member of the Board of Directors, including cases where members do not comply with the institution's conflict of interest policy;
- c) where there are reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted or there is an increased risk thereof in connection with that institution and in particular in situations where information available suggests that the institution:
 - i. has not implemented appropriate internal controls or oversight mechanisms to monitor and mitigate ML/TF risks (e.g. identified by supervisory findings from on-site inspections or off-site inspections, supervisory dialogue or in the context of sanctions);
 - ii. has been found to be in breach of its AML/CTF obligations in the home or host Member State or in a third country; or
 - iii. has materially changed its business activity or business model in a manner that suggests that its exposure to ML/TF risk has significantly increased; or
- d) in any event that can otherwise materially affect the suitability of the member of the Board of Directors.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

29. The institution shall also re-assess the sufficient time commitment of a member of the Board of Directors if that member takes on an additional directorship or starts to perform new relevant activities, including political ones.

30. The institution shall base its suitability assessments on the notions defined in Title IV, taking into account the diversity of the Board of Directors as specified in Title VI, and shall implement a suitability policy and processes as set out, respectively, in Titles VII and VIII.

2. The institution's assessment of the collective suitability of the Board of Directors

31. The institution shall ensure, in fulfilling the obligation set out in Article 83(7) of Law 4261/2014 that at all times the Board of Directors collectively possesses adequate knowledge, skills and experience to be able to understand the institution's activities, including the main risks. Notwithstanding the experience, knowledge and skills requirement for each member of the Board of Directors, the institution shall ensure that the overall composition of the Board of Directors reflects an adequately broad range of knowledge, skills and experience to understand the institution's activities, including main risks.

32. The institution shall assess or re-assess the collective suitability of the Board of Directors, in particular:

- a) when applying for authorisation to take up the business;
- b) when material changes to the composition of the Board of Directors occur, including:
 - i. when appointing new members of the Board of Directors, including as a result of a direct or indirect acquisition or increase of a qualifying holding in an institution;
 - ii. when re-appointing members of the Board of Directors, if the requirements of the position have changed or if the members are appointed to a different position within the Board of Directors;
 - iii. when appointed or reappointed members cease to be members of the Board of Directors;
- c) on an ongoing basis, in accordance with paragraph 33.

33. The institution shall re-assess the collective suitability of the members of the Board of Directors, in particular, in the following cases:



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- a) when there is a material change to the institution's business model, risk appetite or strategy or structure at individual or group level;
- b) as part of the review of the internal governance arrangements by the Board of Directors;
- c) where there are reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted or there is an increased risk thereof in connection with that institution and in particular in situations where information available suggests that the institution:
 - i. has not implemented appropriate internal controls or oversight mechanisms to monitor and mitigate ML/TF risks (e.g. identified by supervisory findings from on-site inspections or off-site inspections, supervisory dialogue or in the context of sanctions);
 - ii. has been found to be in breach of its AML/CTF obligations in the home or host Member State or in a third country; or
 - iii. has materially changed its business activity or business model in a manner that suggests that its exposure to ML/TF risk has significantly increased;
- d) in any event that can otherwise materially affect the collective suitability of the Board of Directors.

34. When re-assessing the collective suitability, the institution shall focus on the relevant changes in the institution's business activities, strategies and risk profile and in the distribution of duties within the Board of Directors and their effect on the required collective knowledge, skills and experience of the Board of Directors.

35. The institution shall base its suitability assessments on the notions defined in Title IV and shall implement a suitability policy and processes as set out in Titles VII and VIII.

36. The assessment of the initial and ongoing collective suitability of the members of the Board of Directors is the responsibility of the institution, irrespective of any assessment carried out by the Bank of Greece for supervisory purposes.

3. Assessment of the suitability of key function holders by the institution

37. The institution shall ensure that key function holders are of sufficient good repute, independence of mind, have honesty and integrity, and possess sufficient knowledge, skills and experience for their positions at all times. The institution assesses the aforementioned requirements, in particular:



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- a) when applying for an authorisation;
- b) when appointing new key function holders, including as a result of a direct or indirect acquisition or increase of a qualifying holding in an institution;
- c) if the requirements of the position have changed or if the person is appointed to a position other than the one he/she has already been assessed for;
- d) where deemed necessary, under para. 38.

38. The institution shall monitor on an ongoing basis the reputation, independence of mind, honesty, integrity, knowledge, skills and experience of key function holders to identify, in the light of any relevant new fact, situations where a re-assessment should be performed. In particular a reassessment is performed in the following cases:

- a) where there are concerns regarding the person's suitability;
- b) in the event of a material impact on the reputation of the individual;
- c) where there are reasonable grounds to suspect that money laundering or terrorist financing has been or is being committed or attempted or there is an increased risk thereof in connection with that institution and in particular in situations where the institution:
 - i. has not implemented appropriate internal controls or oversight mechanisms to monitor and mitigate ML/TF risks (e.g. identified by supervisory findings from on-site inspections or off-site inspections, supervisory dialogue or in the context of sanctions);
 - ii. has been found to be in breach of its AML/CTF obligations at home or abroad; or
 - iii. has materially changed its business activity or business model in a manner that suggests that its exposure to ML/TF risk has significantly increased;
- d) as part of the review of the internal governance arrangements by the Board of Directors;
- e) in any event that can otherwise materially affect the suitability of the individual.

39. The assessment of the individual reputation, independence of mind, honesty, integrity, knowledge, skills and experience of key function holders shall be based on the same criteria as those applied to the assessment of such suitability requirements



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

of the members of the Board of Directors. When assessing knowledge, skills and experience, the role and duties of the specific position shall be considered.

40. The assessment of the initial and ongoing suitability of key function holders is the responsibility of the institution, irrespective of any assessment carried out by the Bank of Greece for supervisory purposes.

Title IV – Notions of suitability

4. Sufficient time commitment of a member of the Board of Directors

41. The institution shall assess whether or not a member of the Board of Directors is able to commit sufficient time to performing his or her functions and responsibilities including understanding the business of the institution, its main risks and the implications of the business and the risk strategy. In the case of a member of the Board of Directors in a significant institution, an additional assessment shall be carried out to ensure that the limitation of the maximum number of directorships under Article 83(3) of Law 4261/2014 is being complied with.

42. The institution shall also assess whether a member of the Board of Directors is able to fulfil his or her duties in periods of particularly increased activity, such as a restructuring, a relocation of the institution, an acquisition, a merger, a takeover or a crisis situation, or as a result of some major difficulty with one or more of its operations, taking into account that in such periods a higher level of time commitment than in normal periods may be required.

43. In the assessment of sufficient time commitment of a member, the institution shall take at least the following into account:

- a) the number of directorships in financial and non-financial companies held by that member at the same time, taking into account possible synergies when they are held within the same group, including when acting on behalf of a legal person or as an alternate of a member of the Board of Directors;
- b) the size, nature, scope and complexity of the activities of the entity where the member holds a directorship and, in particular, whether or not the entity is a non-EU entity;
- c) the member's geographical presence and the travel time required for the role;



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- d) the number of meetings scheduled for the Board of Directors;
- e) the directorships in entities which do not pursue predominantly commercial objectives held by that member at the same time;
- f) any necessary meetings to be held, in particular, with competent authorities or other internal or external stakeholders outside the Board of Directors' formal meeting schedule;
- g) the nature of the specific position and the responsibilities of the member, including specific roles such as CEO, chairperson, or chair or member of a committee, whether the member holds an executive or non-executive position, and the need of that member to attend meetings in the companies referred to in subparagraph (a) and in the institution;
- h) other external professional or political activities, and any other functions and relevant activities, both within and outside the financial sector and both within and outside the EU;
- i) the necessary induction and training;
- j) any other relevant duties of the member that the institution considers to be necessary to take into account when carrying out the assessment of sufficient time commitment of a member; and
- k) any available relevant benchmarking on time commitment, including the benchmarking provided by the European Banking Authority (EBA).

44. The institution shall record in writing the roles, duties and required capabilities of the various positions within the Board of Directors and the expected time commitment required for each position, also taking into account the need to devote sufficient time for induction and training. For this purpose, smaller and less complex institutions may differentiate the expected time commitment only between executive and non-executive members of the Board of Directors.

45. A member of the Board of Directors shall be made aware of the expected time commitment required to spend on his or her duties. Institutions may require the member to confirm that he or she can devote that amount of time to the role.

46. The institution shall monitor whether the members of the Board of Directors commit sufficient time to performing their functions. Preparation for meetings, attendance and the active involvement of members in Board of Directors meetings are all indicators of time commitment.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

47. The institution shall also consider the impact of any long-term absences of specific members of the Board of Directors in its assessment of the sufficient time commitment of other members of the Board of Directors.

48. The institution shall keep records of all external professional and political positions held by the members of the Board of Directors. Such records shall be updated whenever a member notifies the institution of a change or when such changes come otherwise to the attention of the institution. Where changes occur that may reduce the ability of a member of the Board of Directors to commit sufficient time to performing his or her function, the institution shall re-assess the member's ability to respect the required time commitment for his or her position.

5. Calculation of the number of directorships

49. The members of the Board of Directors of a significant institution shall comply with the limitation of directorships referred to in Article 83(3) of Law 4261/2014.

50. For the purposes of Article 83(3) of Law 4261/2014, where it is not expressly specified that a directorship involves only non-executive responsibilities, the directorship shall be counted as an executive directorship.

51. Where multiple directorships count as a single directorship, under Article 83(4) of Law 4261/2014 and as set out in paras 52 to 57 below, that single directorship shall count as a single executive directorship when it includes at least one executive directorship; otherwise it shall count as a single non-executive directorship.

52. According to Article 83(4)(a) of Law 4261/2014, all directorships held within the same group count as a single directorship.

53. According to Article 83(4)(b)(bb) of Law 4261/2014, all directorships held within undertakings in which the institution holds a qualifying holding, but which are not subsidiaries included within the same group, count as a single directorship. That single directorship in qualifying holdings and the directorship held within the same institution together count as two directorships.

54. When multiple institutions within the same group hold qualifying holdings, the directorships in all qualifying holdings should be counted, taking into account the consolidated situation (based on the accounting scope of consolidation) of the institution, as one separate single directorship. That single directorship counted for the directorships held in all qualifying holdings of the same group and the single directorship counted for the directorships held within entities that belong to the group, count together as two directorships.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

55. Where a member of the Board of Directors holds directorships in different groups or undertakings, all directorships held within the same institutional protection scheme, as referred to in Article 83(4)(b)(aa) of Law 4261/2014, count as a single directorship. Where the application of the rule set out in Article 83(4)(b)(aa) of Law 4261/2014 regarding the counting of directorships within the same institutional protection scheme leads to a higher count of single directorships than the application of the rule set out in Article 83(4)(a) of Law 4261/2014 regarding the counting of single directorships within groups, the resulting lower number of single directorships should apply (e.g. where directorships are held within two groups, in both cases within undertakings that are members and at the same time within undertakings that are not members of the same institutional protection scheme, only two single directorships shall be counted).

56. Directorships held in entities which do not pursue predominantly commercial objectives shall not be counted when calculating the number of directorships under Article 83(5) of Law 4261/2014. However, such activities shall be taken into account when assessing the time commitment of the concerned member.

57. Entities which do not pursue predominantly commercial objectives include among others:

- a) charities;
- b) other not-for-profit organisations; and
- c) companies that are set up for the sole purpose of managing the private economic interests of members of the Board of Directors or their family members, provided that they do not require day-to-day management by the member of the Board of Directors.

6. Adequate knowledge, skills and experience

58. Members of the Board of Directors shall have an up-to-date understanding of the business of the institution and its risks, at a level commensurate with their responsibilities. This includes an appropriate understanding of those areas for which a member is not directly responsible but is collectively accountable together with the other members of the Board of Directors.

59. Members of the Board of Directors shall have a clear understanding of the institution's governance arrangements, their respective tasks and responsibilities and, where applicable, the group structure and any possible conflicts of interest that may arise therefrom. They shall also be able to contribute to the implementation of an appropriate culture, corporate values and behaviour within the Board of Directors and the institution.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

60. The institution shall ensure that the member of the Board of Directors appointed under Article 38(2A) of Law 4557/2018 shall have good knowledge, skills and relevant experience regarding ML/TF risk identification and assessment, and AML/CTF policies, controls and procedures. This person shall have a good understanding of the extent to which the institution's business model is exposed to ML/TF risks.

61. In this respect, the assessment of adequate knowledge, skills and experience shall consider:

- a) the tasks and duties of the position and the required capabilities;
- b) the knowledge and skills attained through education, training and practice;
- c) the practical and professional experience gained in previous positions; and
- d) the knowledge and skills acquired and demonstrated by the professional conduct of the member of the Board of Directors.

62. To properly assess the skills of the members of the Board of Directors, the institution shall consider using the non-exhaustive list of relevant skills set out in Annex III hereto, taking into account the role and duties of the position occupied by the member of the Board of Directors.

63. The level and profile of the education of the member and whether or not it relates to banking and financial services or other relevant areas shall also be considered. In particular, education in the areas of banking and finance, economics, law, accounting, auditing, administration, financial regulation, information technology and quantitative methods can in general be considered to be relevant for the financial services sector.

64. The assessment shall not be limited to the educational degree of the member or proof of a certain period of service in an institution. A more thorough analysis of the member's practical experience shall be conducted, as the knowledge and skills gained from previous occupations depend on the nature, scale and complexity of the business as well as the function that the member performed within it.

65. When assessing the knowledge, skills and experience of a member of the Board of Directors, consideration shall be given to theoretical and practical experience relating to:

- a) banking and financial markets;
- b) legal requirements and regulatory framework;



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- c) strategic planning, the understanding of an institution's business strategy or business plan and accomplishment thereof;
- d) risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk of an institution including environmental, governance and social risks and risk factors);
- e) accounting and auditing;
- f) the assessment of the effectiveness of an institution's arrangements, ensuring effective governance, oversight and controls;
- g) the interpretation of an institution's financial information, the identification of key issues based on this information, and appropriate controls and measures.

66. The executive members of the Board of Directors should have gained sufficient practical and professional experience from a managerial position over a sufficiently long period. Short-term positions may be considered as part of the assessment, but such positions alone are not sufficient to assume that a member has sufficient experience. When assessing the practical and professional experience gained from previous positions, particular consideration shall be given to:

- a) the nature of the management position held and its hierarchical level;
- b) the length of service;
- c) the nature and complexity of the business where the position was held, including its organisational structure;
- d) the scope of competencies, decision-making powers and responsibilities of the member;
- e) the technical knowledge gained through the position;
- f) the number of subordinates.

67. Non-executive members of the Board of Directors should be able to provide constructive challenge to the decisions and effective oversight of the executive members of the Board of Directors. Adequate knowledge, skills and experience for fulfilling the effective oversight may have been gained from relevant academic or administrative positions or through the management, supervision or control of financial institutions or other firms.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

7. Collective suitability criteria

68. The Board of Directors shall collectively be able to understand the institution's activities, including the main risks. Unless otherwise indicated in this section, these criteria should be applied separately to the executive and non-executive members of the Board of Directors.

69. The members of the Board of Directors shall collectively be able to take appropriate decisions considering the business model, risk appetite, strategy and markets in which the institution operates.

70. Non-executive members of the Board of Directors shall be collectively able to effectively challenge and monitor decisions made by the executive members of the Board of Directors.

71. All areas of knowledge required for the institution's business activities shall be covered by the Board of Directors collectively with sufficient expertise among its members. There shall also be a sufficient number of members with knowledge in each area to allow a discussion of decisions to be made. The members of the Board of Directors shall collectively have the skills to present their views and to influence the decision-making process within the Board of Directors.

72. The composition of the Board of Directors shall reflect the knowledge, skills and experience necessary to fulfil its responsibilities. This includes that the Board of Directors collectively has an appropriate understanding of those areas for which the members are collectively accountable, and the skills to effectively manage and oversee the institution, including the following aspects:

- a) the business of the institution and main risks related to it;
- b) each of the material activities of the institution;
- c) relevant areas of sectoral/financial competence, including financial and capital markets, solvency and models, environmental, governance and social risks and risk factors;
- d) financial accounting and reporting;
- e) risk management, compliance and internal audit;
- f) information technology and security;
- g) local, regional and global markets, where applicable;



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- h) legal and regulatory environment;
- i) managerial skills and experience;
- j) ability to plan strategically;
- k) management of (inter)national groups and risks related to group structures, where applicable.

73. While the executive members of the Board of Directors should collectively have a high level of managerial skills, the non-executive members should collectively have sufficient management skills to organise their tasks effectively and to be able to understand and challenge the management practices applied and decisions taken by the executive members of the Board of Directors.

8. Reputation, honesty and integrity

74. Each member of the Board of Directors shall be of good repute and uphold high standards of integrity and honesty. A member of the Board of Directors shall be deemed to possess the above qualities if there are no objective and demonstrable grounds to suggest otherwise, in particular taking into account the relevant available information on the factors or situations listed in paras 75 to 79. In the assessment of reputation, honesty and integrity, the impact of the cumulative effects of minor incidents on a member's reputation are also considered.

75. Without prejudice to the presumption of innocence and other fundamental rights as laid down in the European Convention on Human Rights and the Charter of Fundamental Rights of the European Union, the criminal or any existing administrative record shall be taken into account for the assessment of good repute, honesty and integrity, considering the content of the conviction, the role of the individual involved, the penalty received, the phase of the judicial process reached and any rehabilitation measures that have taken effect. The surrounding circumstances, including mitigating factors, the seriousness of any relevant offence or administrative or supervisory action, the time elapsed since the offence, the member's conduct since the offence or action, and the relevance of the offence or action to the member's role shall be considered. The relevant criminal or administrative records shall be taken into account, considering the prescribed limitation period.

76. Without prejudice to the presumption of innocence and other fundamental rights, the following factors shall at least be considered in the assessment of reputation, honesty and integrity:



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- a) any convictions or ongoing criminal proceedings, in particular for any of the following offences:
 - i. offences under the laws governing banking, financial and insurance activities, or concerning securities, securities markets or financial or payment instruments, including laws on money laundering and terrorism financing or any of the predicate offences to ML set out in Law 4557/2018, market manipulation, or insider dealing and usury;
 - ii. offences relating to service, documents, property, or financial crimes;
 - iii. tax offences, whether committed directly or indirectly, including through unlawful or banned dividend arbitrage schemes;
 - iv. other offences under legislation relating to companies, bankruptcy, insolvency or consumer protection;
- b) other relevant past or current findings and measures taken by any regulatory or professional body for non-compliance with any relevant provisions governing banking, financial, insurance or securities activities or any of the matters referred to in subparagraph (a) above.

77. Without prejudice to the presumption of innocence and other fundamental rights, ongoing investigations by prosecutors and other competent administrative authorities, as well as other adverse reports with relevant, credible and reliable information (e.g. as part of whistleblowing procedures) shall also be considered.

78. The following situations relating to the past and present business performance and financial soundness of a member of the Board of Directors are considered, with regard to their potential impact on the member's reputation, integrity and honesty:

- a) being a defaulting debtor (e.g. been included in a list of unreliable debtors or having negative records on a list established by a reliable credit bureau);
- b) financial and business performance of entities owned or directed by the member or in which the member had or has significant share or influence with special consideration given to any insolvency proceedings and whether or not and how the member has contributed to the situation that led to the proceedings;
- c) declaration of personal bankruptcy; and
- d) without prejudice to the presumption of innocence, civil lawsuits, administrative or criminal proceedings, large investments or exposures and loans taken out, insofar as they can have a significant impact on the



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

financial soundness of the member or entities owned or directed by him or her, or in which the member has a significant share.

79. In the assessment of reputation, honesty and integrity, at least the following factors are also considered:

- a) any evidence that the person has not been transparent, open and cooperative in his or her dealings with competent authorities;
- b) refusal, revocation, withdrawal or expulsion of any registration, authorisation, membership, or licence to carry out a trade, business, or profession;
- c) the reasons for any dismissal from employment or from any position of trust, fiduciary relationship, or similar situation, or for having been asked to resign from employment in such a position;
- d) disqualification by a relevant competent authority from acting as a member of the Board of Directors, including persons who effectively direct the business of an entity; and
- e) any other evidence or serious allegations based on credible and reliable information that suggests that the person acts in a manner that is not in line with high standards of conduct.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

9. Independence of mind and independent members

9.1 Interaction between independence of mind and the principle of being independent

80. When assessing the independence of members of the Board of Directors, the institution shall differentiate between the notion of “independence of mind”, applicable to all members of an institution's Board of Directors, and the principle of “being independent”, required for certain non-executive members of the Board of Directors. The criteria for the assessment of “independence of mind” are provided in section 9.2 and for the assessment of “being independent” in section 9.3.

81. Acting with “independence of mind” is a pattern of behaviour, shown in particular during discussions and decision-making within the Board of Directors, and is required for each member of the Board of Directors regardless of whether or not the member is considered as “being independent” in accordance with section 9.3. All members of the Board of Directors shall engage actively in their duties and shall be able to make their own sound, objective and independent decisions and judgments when performing their functions and responsibilities.

82. “Being independent” means that a non-executive member of the Board of Directors does not have any present or recent past relationships or links of any nature with the relevant institution or its management that could influence the member's objective and balanced judgement and reduce the member's ability to take decisions independently. The fact that a member is considered as “being independent” does not mean that the member should automatically be deemed to be “independent of mind” as the member might lack the required behavioural skills.

9.2 Independence of mind

83. When assessing the independence of mind, the institution shall assess whether or not all members of the Board of Directors have the necessary behavioural skills, including:

- i. courage, conviction and strength to effectively assess and challenge the proposed decisions of other members of the Board of Directors;
- ii. being able to ask questions to the executive members of the Board of Directors; and
- iii. being able to resist groupthink.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

The institution shall also assess whether there are conflicts of interest to an extent that would impede the members' ability to perform their duties independently and objectively.

84. When assessing the required behavioural skills of a member, the member's past and ongoing behaviour, in particular within the institution, shall be taken into account.

85. When assessing the existence of conflicts of interest, the institution shall identify actual or potential conflicts of interest in accordance with its conflict of interest policy and shall assess their materiality. To this end, the institution may utilise the indicative list in Annex V. At least the following situations that could create actual or potential conflicts of interest shall be considered:

- a) economic interests (e.g. shares, other holdings or other economic interests in the institution or in commercial customers, intellectual property rights, loans granted by the institution to a company owned by members of the Board of Directors);
- b) personal or professional relationships with the owners of qualifying holdings in the institution;
- c) personal or professional relationships with staff of the institution or entities included within the scope of prudential consolidation (e.g. close family relationships);
- d) other employments and previous employments within the recent past (e.g. five years);
- e) personal or professional relationships with relevant external stakeholders (e.g. being associated with material suppliers, consultancies or other service providers);
- f) membership in a body or ownership of a body or entity with conflicting interests;
- g) political influence or political relationships.

86. All actual and potential conflicts of interest at Board of Directors level shall be adequately communicated, discussed, documented, decided on and duly managed by the Board of Directors by taking the necessary measures to mitigate conflicts of interests. A member of the Board of Directors shall abstain from voting on any matter where that member has a conflict of interest.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

87. The institution shall inform the Bank of Greece if it has identified a conflict of interest that may impact the independence of mind of a member of the Board of Directors, including the mitigating measures taken.

88. Being a shareholder or member of an institution, a member of affiliated companies or affiliated entities, having private accounts, loans or using other services of the institution or any entity within the scope of consolidation should not be considered by itself to affect the independence of mind of a member of the Board of Directors.

9.3 Independent non-executive members of an institution's Board of Directors

89. Having independent non-executive members and non-independent non-executive members in the Board of Directors is considered good practice for all institutions.

90. When determining the sufficient number of independent members, the principle of proportionality shall be taken into account, in accordance with the second sentence of Article 5(2) of Law 4706/2020, as appropriate. Any members representing employees in the Board of Directors shall not be taken into account when determining the sufficient number of independent non-executive members in the Board of Directors. Pursuant to the provisions of Bank of Greece Governor's Act 2577/2006 and Law 4706/2020, the following shall apply:

a) the following institutions should have a Board of Directors that includes a sufficient number of independent non-executive members:

- i. significant institutions;
- ii. listed institutions.

b) relevant institutions that are neither significant nor listed should, as a general principle, have at least one independent non-executive member within the Board of Directors.

91. Within the overall responsibility of the Board of Directors, the independent members shall play a key role in enhancing the effectiveness of checks and balances within the institution by improving oversight of management decision-making and ensuring that:

- a) the interests of all stakeholders, including minority shareholders, are appropriately taken into account in the discussions and decision-making of the Board of Directors. Independent members can also help to mitigate or offset undue dominance by individual members of the Board of Directors representing a particular group or category of stakeholders;



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- b) no individual or small group of members dominates decision-making; and
- c) conflicts of interest between the institution, its business units, other entities within the accounting scope of consolidation and external stakeholders, including clients, are appropriately managed.

92. Without prejudice to paragraph 94, in the following situations it is presumed that a non-executive member of an institution's Board of Directors is regarded as not "being independent":

- a) the member has or has had, within the last five years, a mandate as an executive member of the Board of Directors within an institution within the scope of prudential consolidation;
- b) the member is a controlling shareholder or member of the institution, being determined by reference to the cases mentioned in Article 32(2) of Law 4308/2014, or represents the interests of a controlling shareholder or member, including where the capital is owned by a Member State or other public body;
- c) the member has a material financial or business relationship with the institution;
- d) the member is an employee of the institution or is otherwise associated with a controlling shareholder or member of the institution;
- e) the member is employed by any entity within the scope of consolidation, except when both of the following conditions are met:
 - i. the member does not belong to the entity's highest hierarchical level, which is directly accountable to the Board of Directors;
 - ii. the member has been elected as a non-executive member in the context of a system of employees' representation and national law provides for adequate protection against abusive dismissal and other forms of unfair treatment;
- f) the member has previously been employed in a position at the highest hierarchical level in the institution or another entity within its scope of prudential consolidation, being directly accountable only to the Board of Directors, and there has not been a period of at least three years between ceasing such employment and taking up a position in the Board of Directors;



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

- g) the member is or has been, within the last three years, a principal of an entity providing advisory, technical or legal services, an external auditor or a material consultant to the institution or another entity within the scope of prudential consolidation, or an employee otherwise materially associated with the service provided;
- h) the member is or has been, within the last year, a material supplier or material customer of or had another material business relationship with the institution or another entity within the scope of prudential consolidation, or is a senior officer of or is otherwise associated directly or indirectly with a material supplier, customer or commercial entity that has a material business relationship with the institution or another entity within the scope of prudential consolidation;
- i) the member receives, in addition to remuneration for his or her role and remuneration for employment in line with point (c), significant fees or other benefits from the institution or another entity within its scope of prudential consolidation;
- j) the member served as a member of the Board of Directors within the institution or entity within its scope of prudential consolidation for 12 consecutive years or longer;
- k) the member is a close family member of an executive member of the Board of Directors of the institution or another entity in the scope of prudential consolidation or a person in a situation referred to under points (a) to (h).

93. Without prejudice to Law 4706/2020, the mere fact of meeting one or more situations under paragraph 92 does not automatically qualify a member as not being independent. Where a member falls under one or more of the situations set out above, the institution may demonstrate to the Bank of Greece that the member should nevertheless be considered as “being independent”. To this end, the institution should be able to justify to the Bank of Greece the reasoning why the member's ability to exercise objective and balanced judgement and to take decisions independently is not affected by the situation.

94. For the purpose of paragraph 93, the institution shall consider that being a shareholder or member of an institution, having private accounts or loans or using other services, other than in the cases explicitly listed within this section, does not mean that the member is considered to be non-independent, if it stays within an appropriate de minimis threshold. Such relationships shall be taken into account within the management of conflicts of interest in accordance with the Bank of Greece Governor's Act 2577/2006.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Title V – Human and financial resources for training of members of the Board of Directors and key function holders

10. Setting objectives of induction and training

95. The institution shall provide for the induction of members of the Board of Directors to facilitate their clear understanding of the relevant laws, regulations and administrative provisions, the institution's structure, business model, risk profile and governance arrangements, and the responsibilities of the members within them, and to provide for relevant general and as appropriate individually tailored training programmes. Training shall also promote the members' awareness regarding the benefits of diversity in the Board of Directors and the institution. The institution shall also provide for the induction and training of key function holders.

96. The institution shall allocate sufficient resources for induction and training for members of the Board of Directors individually and collectively and for key function holders.

97. All newly appointed members of the Board of Directors and key function holders shall receive key information within one month after taking up their position, and the induction should be completed within six months.

98. Where an appointed member of the Board of Directors or key function holder is required to enhance particular aspects of the knowledge and skills elements, the training and induction for that member should aim to fill the identified gaps within an appropriate timeframe, and in any case before the position is effectively taken up. Members of the Board of Directors and key function holders shall maintain and deepen the knowledge and skills needed to fulfil their responsibilities throughout their term of office.

11. Induction and training policy

99. The institution shall have in place a policy and procedures for the induction and training of members of the Board of Directors and key function holders. The policy shall be adopted by the Board of Directors.

100. The human and financial resources provided for induction and training shall be sufficient to achieve the objectives of induction and training and to ensure that the member is suitable and meets the requirements for his or her role. When establishing the human and financial resources required to deliver an effective policy and



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

procedures for induction and training, the institution shall take into account any available relevant industry benchmarks, for example relating to the available training budget and training days provided, including any benchmarking results provided by the EBA.

101. The policy and procedures for induction and training may be part of an overall suitability policy, and shall at least set out:

- a) the induction and training objectives for the Board of Directors, separately for executive and non-executive members and for key function holders. These shall also include where appropriate the induction and training objectives for specific positions according to their specific responsibilities and involvement in committees;
- b) the responsibilities for the development of a detailed training programme;
- c) the financial and human resources made available by the institution for induction and training, taking into account the number of induction and training sessions (in-house or by third parties), their cost and any related administrative tasks, in order to ensure that induction and training can be provided in line with the policy;
- d) a clear process under which any member of the Board of Directors or key function holder can request induction or training.

102. In the development of the policy, the Board of Directors or the nomination committee, when established, shall consider input from the human resources function and the function responsible for the budgeting and organisation of training, as well as relevant internal control functions, where appropriate.

103. The institution shall have in place a process to identify the areas in which training is required, both for the Board of Directors collectively and for individual members of the Board of Directors and for key function holders. Relevant business areas and internal functions, including internal control functions, shall be involved in the development of the content of induction and training programmes.

104. The policy and procedures as well as training plans shall be kept up to date, taking into account governance changes, strategic changes, new products and other relevant changes, as well as changes in applicable legislation and market developments.

105. The institution shall have an evaluation process in place to review the execution and the quality of induction and training provided and to ensure compliance with the induction and training policy and procedures.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Title VI – Diversity within the Board of Directors

12. Diversity policy objectives

106. In accordance with Article 83(10) of Law 4261/2014, the institution shall have and implement a policy promoting diversity on the Board of Directors, in order to promote a diverse pool of members. Such policy should aim to engage a broad set of qualities and competences when recruiting members of the Board of Directors, to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the Board of Directors. The institution shall aim at an appropriate representation of genders within the Board of Directors and ensure that the principle of equal opportunities is respected when selecting members of the Board of Directors. Having employee representatives, where required under foreign national law, of the under-represented gender alone is not sufficient to ensure that the Board of Directors has an appropriate gender balance.

107. The diversity policy shall at least refer to the following diversity aspects: educational and professional background, gender, age and, in particular for institutions that are active internationally, geographical provenance. The diversity policy for significant institutions shall include a quantitative target for the representation of the under-represented gender in the Board of Directors. Significant institutions shall quantify the targeted participation of the under-represented gender and specify an appropriate timeframe within which the target should be met and how it will be met. The target shall be defined for the Board of Directors collectively, but may be broken down into the executive and non-executive members where a sufficiently large Board of Directors exists. In all other institutions, in particular with a Board of Directors of fewer than five members, the target may be expressed in a qualitative way.

108. When setting diversity objectives, the institution shall consider any diversity benchmarking results published by the Bank of Greece, the EBA or other relevant international bodies or organisations.

109. The diversity policy may include employee representation within the Board of Directors in order to add day-to-day practical knowledge and experience of the internal workings of the institution.

110. Significant institutions shall also document, as part of the annual review of the composition of the Board of Directors, their compliance with the objectives and targets set. In the event that any diversity objectives or targets have not been met, the significant institution shall document the reasons why, the measures to be taken and the timeframe for measures to be taken, in order to ensure that the diversity objectives and targets will be met.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

111. In order to facilitate an appropriately diverse pool of candidates for Board of Directors positions, the institution shall implement a diversity policy for staff, including career planning aspects and measures to ensure equal treatment and opportunities for staff of different genders. Such measures shall include that the aspect of appropriate gender representation is also taken into account when selecting staff for management positions or when providing management training.

112. In order to support a diverse composition of the Board of Directors, the institution shall have policies that ensure that there is no discrimination based on gender, race, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, disability, age, or sexual orientation.

Title VII – Suitability policy and governance arrangements

13. Suitability policy

113. The institution's Board of Directors shall adopt and maintain a policy for the assessment of the suitability of the members of the Board of Directors, as described below. According to Article 80(1), (2) and (3) of Law 4261/2014, the institution's Board of Directors defines, oversees and is accountable for the implementation of the governance arrangements that ensure effective and prudent management of the institution. This includes that the institution's suitability policy should be aligned with the institution's overall corporate governance framework, corporate culture and risk appetite and that the processes under the policy should be fully operating as intended.

114. The suitability policy includes or refers to the diversity policy to ensure that diversity is taken into account when recruiting new members.

115. Any changes to the suitability policy shall also be approved by the Board of Directors. Documentation regarding the adoption of the policy and any amendments thereof shall be maintained (e.g. in the minutes of relevant meetings).

116. The policy shall be clear, well documented and transparent to all staff within the institution. When developing the policy, the Board of Directors may request and take into account input from other internal committees, in particular the nomination committee where established and other internal functions, such as the legal, human resources or internal control functions.

117. Internal control functions shall provide effective input to the development of the suitability policy in accordance with their roles. Notably, the compliance function shall analyse how the suitability policy affects the institution's compliance with legislation,



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

regulations, internal policies and procedures, and shall report all identified compliance risks and issues of non-compliance to the Board of Directors.

118. The policy shall include principles on the selection, monitoring and succession planning of its members and for re-appointing existing members, and shall set out at least the following:

- a) the process for the selection, appointment, re-appointment and succession planning of members of the Board of Directors and the applicable internal procedure for the assessment of the suitability of a member including the internal function responsible for providing support for the assessment (e.g. human resources);
- b) the criteria to be used in the assessment, which should include the suitability criteria set out herein;
- c) how, as part of the selection process, the diversity policy for members of the Board of Directors of significant institutions and the target for the underrepresented gender in the Board of Directors are taken into account;
- d) the communication channel with the Bank of Greece; and
- e) how the assessment is documented.

119. The institution shall also include within its suitability policy the processes for the selection and appointment of key function holders. The suitability policy might set out in a risk-based approach those positions that are considered by the institution as key function holders in addition to those defined in paragraph 7 above, where they are not part of the Board of Directors.

120. The non-executive members of the Board of Directors and the nomination committee where established shall monitor the effectiveness of the institution's suitability policy and review its design and implementation. The Board of Directors shall amend the policy, where appropriate, taking into account the recommendations made by the nomination committee where established and the internal audit function.

14. Suitability policy in a group context

121. In accordance with Article 102(2) and (3) of Law 4261/2014, the consolidating institution shall ensure that a group-wide policy for the assessment of suitability of all members of the Board of Directors and key function holders is implemented consistently and well integrated in all subsidiaries within the scope of prudential



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

consolidation, including those not subject to Law 4261/2014, even when they are established in third countries, including in offshore financial centres.

122. The policy shall be adjusted to the specific situation of subsidiaries within the scope of prudential consolidation that are not themselves subject to Law 4261/2014. Competent bodies or functions within the consolidating institution and its subsidiaries shall interact and exchange information for the assessment of suitability as appropriate.

123. The consolidating institution shall ensure that the suitability assessment complies with all specific requirements in any relevant jurisdiction. Regarding institutions and entities within a group located in more than one Member State, the consolidating institution shall ensure that the group-wide policy takes into account differences between national company laws and other regulatory requirements.

124. The consolidating institution shall ensure that subsidiaries established in third countries that are included in the scope of prudential consolidation have consistently implemented the group policy in a way that complies with the requirements of Articles 66, 80 and 83 of Law 4261/2014, as long as this is not unlawful under the laws of the third country. For this purpose, the EU parent undertakings and subsidiaries subject to Law 4261/2014 shall ensure that the suitability standards applied by the subsidiary located in a third country at least meet the ones applied in the European Union.

125. The suitability requirements of Law 4261/2014 and hereof apply to institutions independently of the fact that they may be subsidiaries of a parent institution in a third country. Where an EU subsidiary of a parent institution in a third country is a consolidating institution, the scope of prudential consolidation does not include the level of the parent institution located in a third country and other direct subsidiaries of that parent institution. The consolidating EU institution shall ensure that the group-wide policy of the parent institution in a third country is taken into consideration within its own policy insofar as this is not contrary to the requirements set out under relevant EU or national law, including this Act.

126. The Board of Directors of subsidiaries that are subject to Law 4261/2014 shall adopt and implement a suitability policy at individual level which is consistent with the policies established at consolidated or sub-consolidated level, in a manner that complies with all specific requirements under Greek law.

15. Nomination committee and its tasks



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

127. Significant institutions shall have a nomination committee, comprised of non-executive members of the Board of Directors, that fulfils the responsibilities and has the resources set out under Article 80(4)-(7) of Law 4261/2014.

128. Members of the nomination committee shall have adequate collective knowledge, expertise and experience relating to the business of the institution to be able to assess the appropriate composition of the Board of Directors, including recommending candidates to fill Board of Directors vacancies.

129. Without prejudice to Law 1667/1986, in the case of small and less complex institutions, where a nomination committee has been set up, the provisions of Article 80 of Law 4261/2014 and the provisions of this section shall apply. Where a nomination committee is not established, the non-executive members of the Board of Directors shall have the responsibilities set out in the first sentence of point (a) and points (b) to (d) of Article 80(5) of Law 4261/2014, and the appropriate resources to this end. In this case, the assessment referred to under points (b) and (c) of Article 80(5) of Law 4261/2014 shall be performed at least every two years.

130. The nomination committee or the non-executive members of the Board of Directors, as appropriate, shall have access to all necessary information to perform their duties and be able to involve the relevant internal control functions and other competent internal functions, where necessary.

131. Where, under foreign national law, the Board of Directors does not have competence in the process of selection and appointment of any of its members, this section is not applicable.

16. Composition of the Board of Directors and the appointment and succession of its members

132. Without prejudice to company law, the Board of Directors shall have an adequate number of members and an appropriate composition and shall be appointed for an appropriate period. Nominations for re-appointment shall take place only after considering the assessment result regarding the performance of the member during the last term.

133. All members of the Board of Directors should be suitable. Without prejudice to members being elected by and representing employees, the Board of Directors shall identify and select qualified and experienced members and ensure appropriate succession planning for the Board of Directors that is consistent with all legal requirements regarding composition, appointment or succession of the Board of Directors.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

134. Without prejudice to the shareholders' or members' rights to appoint members to the Board of Directors, when selecting members of the Board of Directors, the non-executive members of the Board of Directors or, where established, the nomination committee, shall actively contribute to the selection of candidates for vacant positions in the Board of Directors in cooperation with human resources function and shall:

- a) prepare a description of the roles of and capabilities for a particular appointment;
- b) evaluate the adequate balance of knowledge, skills and experience of the Board of Directors;
- c) assess the time commitment expected; and
- d) consider the objectives of the diversity policy.

135. The selection decision shall, where possible, take into account a shortlist containing a preselection of suitable candidates which takes into account the diversity objectives set out in the institution's diversity policy and the elements in Title VI hereof. The decision shall also take into account the fact that a more diverse Board of Directors fosters constructive challenge and discussion based on different points of view. However, the institution shall not select members of the Board of Directors with the sole purpose of increasing diversity to the detriment of the functioning and suitability of the Board of Directors collectively, or at the expense of the suitability of individual members of the Board of Directors.

136. Each member of the Board of Directors shall be aware of the culture, values, behaviours and strategy associated with that institution and its Board of Directors, where possible, before taking up the position.

137. Without prejudice to the shareholders' and members' rights to appoint and replace all members of the Board of Directors simultaneously, when establishing a succession plan for its members, the Board of Directors shall ensure the continuity of decision-making and prevent, where possible, too many members having to be replaced simultaneously. Succession planning shall set out the institution's plans, policies and processes for dealing with sudden or unexpected absences or departures of members of the Board of Directors, including any relevant interim arrangements. Succession planning shall also take into account the objectives and targets defined in the institution's diversity policy.

Title VIII – Assessment of suitability by the institution



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

17. Common elements for the assessment of the individual and collective suitability of members of the Board of Directors

138. Unless otherwise specified herein, the non-executive members of the Board of Directors or, where established, the nomination committee shall ensure that the individual and collective suitability assessments of the members of the Board of Directors are carried out before they are appointed. They may liaise with other committees (e.g. risk and audit committee) and internal functions (e.g. human resources, legal or internal control functions). The non-executive members of the Board of Directors shall be responsible for determining the final suitability assessments.

139. By way of derogation from paragraph 138, the individual and collective suitability assessments may exceptionally be performed after the appointment of the member only in any of the following cases as long as the institution provides duly justification:

- a) at the general meeting of shareholders, shareholders or members of the institution nominate and appoint members of the Board of Directors that have not been proposed by the institution or by the Board of Directors, e.g. slate system;
- b) a complete suitability assessment prior to the appointment of a member would disrupt the sound functioning of the Board of Directors, including as a result of the following situations:
 - i. where the need to replace members arises suddenly or unexpectedly, e.g. death of a member; and
 - ii. where a member is removed because he or she is no longer suitable.

140. The suitability assessments shall take into account all matters relevant to and available for the assessments. The institution shall consider the risks, including the reputational risk, arising in the event that any weaknesses are identified affecting the individual or collective suitability of the members of the Board of Directors.

141. Where members are appointed by the general meeting of shareholders and the assessment of the individual and collective suitability of members has been performed before the general meeting of shareholders, the institution shall provide appropriate information on the assessment results to the shareholders or members before the meeting. Where appropriate, the assessment shall comprise various alternative compositions of the Board of Directors that can be introduced to the shareholders or the members.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

142. Where, in the duly justified cases referred to in paragraph 139, the members are appointed before the assessment of suitability is made, the appointment shall be subject to the positive assessment of their suitability. In these cases, the institution shall assess the suitability of the members and the composition of the Board of Directors as soon as practicable and at the latest within one month of the appointment of the members. If the subsequent assessment by the institution results in a member being considered not suitable for his or her position, the member and the Bank of Greece shall be informed without delay. The institution shall also inform shareholders or members about the assessment made and the need to appoint different members.

143. The institution shall ensure that shareholders or members have full access to relevant and practical information about the obligation that the members of the Board of Directors individually and the Board of Directors collectively must at all times be suitable. This information shall enable shareholders or members to take informed decisions and to address any shortcomings in the composition of the Board of Directors or its individual members.

144. Where some members are appointed by the Board of Directors, such assessments shall be performed before they effectively perform their function. In the duly justified cases referred to in paragraph 139, the assessment of suitability may be exceptionally performed after the appointment of the member. This should be done as soon as practicable but at the latest within one month from the date of appointment.

145. The institution shall take into account the results of the assessment of the suitability of the individual members of the Board of Directors when assessing the collective suitability of the Board of Directors and vice versa. Weaknesses identified in the collective suitability of the Board of Directors or its committees shall not necessarily lead to the conclusion that a particular member is individually not suitable.

146. The institution shall document the results of its assessment of suitability, and in particular any weaknesses identified between the necessary and the actual individual and collective suitability of the members of the Board of Directors, and measures to be taken to overcome these shortcomings.

147. The institution shall transmit to the Bank of Greece the outcome of the suitability assessments for the new members of the Board of Directors, including the institution's assessment of the collective suitability of the Board of Directors along with the notifications referred to in Chapter C of Title I, according to the procedure defined therein.

148. The institution shall, at the request of the Bank of Greece, provide additional information necessary for the individual or collective suitability assessment of the members of the Board of Directors.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

18. Assessment of the suitability of individual members of the Board of Directors

149. The institution shall require members of the Board of Directors to demonstrate their suitability by providing at least the documentation that is required by the Bank of Greece.

150. As part of the assessment of the suitability of an individual member of the Board of Directors, the institution shall:

- a) gather information on the member's suitability through various channels and instruments (e.g. diplomas and certificates, recommendation letters, curricula vitae, interviews, questionnaires);
- b) gather information on the reputation, integrity and honesty of the individual under assessment, including assessing whether there are reasonable grounds to suspect that ML/TF is being or has been committed or attempted or that the risk thereof could be increased;
- c) evaluate the independence of mind of the individual under assessment;
- d) require the individual under assessment to verify that the information provided is accurate and to provide proof of information, where necessary;
- e) require the individual under assessment to declare any actual and potential conflicts of interest;
- f) confirm, to the extent possible, the correctness of the information provided by the individual under assessment;
- g) evaluate with the assistance of the non-executive members of the Board of Directors or, where established, the nomination committee, the assessment results; and
- h) where necessary, adopt corrective measures to ensure the individual suitability of the members of the Board of Directors in accordance with section 22.

151. Where there is a matter which causes concern about the suitability of a member of the Board of Directors, an assessment of how this concern affects that person's suitability shall be undertaken. In this assessment the institution shall take into account the existence of reasonable grounds to suspect that ML/TF is being or has been committed or attempted or that the risk thereof could be increased.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

152. The institution shall document a description of the position for which an assessment was performed, including the responsibilities of that position within the institution, and shall specify the results of the suitability assessment in relation to the following criteria:

- a) sufficient time commitment;
- b) compliance of members of the Board of Directors that hold a directorship in a significant institution with the limitation of directorships under Article 83(3) of Law 4261/2014;
- c) adequate knowledge, skills and experience;
- d) reputation, honesty and integrity;
- e) independence of mind.

19. Assessment of the collective suitability of the Board of Directors

153. When assessing the collective suitability of the Board of Directors, the institution shall assess the composition of executive members and the composition of the non-executive members of the Board of Directors separately. The assessment of collective suitability shall provide a comparison between the actual composition of the Board of Directors and the Board of Directors' actual collective knowledge, skills and experience, and the required collective suitability pursuant to Article 83(7) of Law 4261/2014.

154. The institution shall perform an assessment of the collective suitability of the Board of Directors using either:

- a) the template for the assessment of the collective suitability included in Annex IV. The institution may adapt this template taking into account the criteria described in Title II; or
- b) its own appropriate methodology in line with the criteria set out herein.

155. When assessing the suitability of an individual member of the Board of Directors, the institution shall, within the same time period, also assess the collective suitability of the Board of Directors, as well as whether or not the overall composition of the Risk Committee, the Nomination Committee, the Remuneration Committee, the Audit Committee and the joint committees combining the powers of the aforementioned committees if applicable, is adequate. In particular, it shall be assessed what knowledge, skills and experience the individual brings to the collective suitability of the



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

Board of Directors and whether the overall composition of the Board of Directors reflects an adequately broad range of knowledge, skills and experience to understand the institution's activities and main risks.

156. When assessing the collective suitability of the members of the Board of Directors, the institution shall also assess whether the Board of Directors through its decisions demonstrates a sufficient understanding of ML/TF risks and how these affect the institution's activities, and also demonstrates appropriate management of these risks, including corrective measures where necessary.

20. Ongoing monitoring and re-assessment of the individual and collective suitability of the members of the Board of Directors

157. The ongoing monitoring of the individual or collective suitability of the members of the Board of Directors shall focus on whether the individual member or the members collectively remain suitable, taking into account the individual or collective performance and the specific situation or event which caused the re-assessment and the impact it has on the actual or required suitability.

158. When re-assessing the individual or collective performance of the members of the Board of Directors, the non-executive members of the Board of Directors or, where established, the nomination committee, shall consider in particular:

- a) the efficiency of the Board of Directors' working methods, including the efficiency of information flows and reporting lines to the Board of Directors taking into account the input from internal control functions and any recommendations (follow-up) made by those functions;
- b) the effective and prudent management of the institution, including whether or not the Board of Directors acted in the best interest of the institution including in relation to the fight against money laundering and terrorist financing;
- c) the ability of the Board of Directors to focus on strategically important matters;
- d) the adequacy of the number of meetings held, the degree of attendance, the appropriateness of time committed and the intensity of the involvement of the members of the Board of Directors during the meetings;
- e) any changes to the composition of the Board of Directors and any weaknesses with regard to individual and collective suitability, taking into



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

account the institution's business model and risk strategy and changes thereto;

- f) any performance objectives set for the institution and the Board of Directors;
- g) the independence of mind of members of the Board of Directors, including the requirement that decision-making is not dominated by any one individual or a small group of individuals, and the compliance of the members of the Board of Directors with the conflict of interest policy;
- h) the degree to which the composition of the Board of Directors has met the objectives set in the institution's diversity policy in line with Title VI;
- i) any events that may have a material impact on the individual or collective suitability of the members of the Board of Directors, including changes to the institution's business model, strategies and organisation;
- j) reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted or other financial crimes, or there is an increased risk thereof, including following such adverse findings made by the internal or external auditors or competent authorities regarding the adequacy of the institution's AML/CTF systems and controls.

159. When a re-assessment is triggered, due consideration shall be given to:

- a) the assigned duties and reporting lines within the institution, including where applicable within the group, in order to establish whether any material fact or finding should be allocated to one or more responsible members of the Board of Directors. In this context, assigned duties shall be determined taking into account all relevant documentation, including but not limited to governance charters and codes, internal organigrams and other forms of designating areas of responsibility, internal policies, available assessments of the suitability and additional information provided in this context, letters of appointment or job descriptions, and minutes of meetings of the Board of Directors; and
- b) the credibility and reliability of any fact that triggered the re-assessment, and the seriousness of any allegations of or actual wrongdoing of one or more members of the Board of Directors. The institution shall determine the credibility and reliability of information (e.g. the source, the plausibility, any conflicts of interest of the source giving the information) among other considerations. The institution shall note that the absence of criminal



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

convictions alone may not be sufficient to dismiss allegations of wrongdoing.

160. Significant institutions shall perform a periodic suitability re-assessment at least annually. Small and less complex institutions shall perform a suitability re-assessment at least every two years. The institution shall document the results of the periodic re-assessment. Where a re-assessment is triggered by a specific event, the institution may focus the re-assessment on the situation or event that has triggered the re-assessment and omit from the assessment the aspects that have not changed.

161. The result of the re-assessment, the reason for the re-assessment and any recommendation with regard to identified weaknesses shall be documented and submitted to the Board of Directors.

162. The non-executive members of the Board of Directors or, where established, the nomination committee shall report the result of the assessment of collective suitability to the Board of Directors even if no changes to its composition or other measures are recommended. Recommendations may include, but are not limited to, training, change of processes, measures to mitigate conflicts of interest, the appointment of additional members with a specific competence and the replacement of members of the Board of Directors.

163. The executive members of the Board of Directors shall take note of the report and decide on the recommendations made by the non-executive members of the Board of Directors or, where established, the nomination committee, and where recommendations are not adopted, document the underlying reasons.

164. The institution shall inform the Bank of Greece where re-assessments due to material changes occurred, in accordance with Chapter C of Title I. Significant institutions shall inform the Bank of Greece annually of any re-assessments of the suitability made while small and less important institutions shall inform the Bank of Greece every two years.

165. The institution shall document the re-assessments, their outcome and any measures taken as a result of the re-assessment. The institution shall submit the documentation at the request of the Bank of Greece.

166. In the event that the Board of Directors concludes that a member of the Board of Directors is not suitable individually, or where the Board of Directors is not suitable collectively, the institution shall immediately inform the Bank of Greece without delay, including the measures proposed or taken to remedy the situation.

21. Suitability assessment of key function holders by the institution



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

167. The responsible function within the institution shall carry out the suitability assessment of key function holders before their appointment and shall report the assessment results to the appointing function and the Board of Directors. The institution shall inform the Bank of Greece of the assessment results regarding key function holders, where they are not part of the Board of Directors, along with the notifications set out in Chapter C of Title I, according to the procedure defined therein.

168. If the institution's assessment concludes that a key function holder is not suitable, the institution shall either not appoint the individual or take appropriate measures to ensure the appropriate functioning of this position and shall duly notify the Bank of Greece. The institution shall also notify the Bank of Greece in case of re-assessment due to occurrence of material changes, pursuant to Chapter C of Title I. If the responsible function of the institution concludes that a key function holder is no longer suitable, the institution shall immediately notify the Bank of Greece including the measures proposed or taken to remedy the situation.

169. The institution shall take the necessary measures (e.g. by applying a probation period or a resolutive condition in the employment contract or by appointing acting heads) when appointing a key function holder to enable the institution to remove the key function holder from the position if he or she is assessed by the Bank of Greece as not being suitable for that position.

22. Institution's corrective measures

170. If an institution's assessment or re-assessment concludes that a person is not suitable to be appointed as a member of the Board of Directors, that person shall not be appointed or, if the member has already been appointed, the institution shall immediately replace that member. With the exception of the criteria relevant to the assessment of reputation, honesty and integrity, if an institution's assessment or re-assessment identifies easily remediable shortcomings in the members' knowledge, skills or experience, the institution shall take appropriate corrective measures to overcome those shortcomings in a timely manner.

171. If an institution's assessment or re-assessment concludes that the Board of Directors is not collectively suitable, the institution shall take appropriate corrective measures in a timely manner.

172. When an institution takes corrective measures it shall consider the particular situation and shortcomings of an individual member or the collective composition of the Board of Directors. In the case of the authorisation of an institution to take up its business, such measures shall be implemented before the authorisation is granted.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

173. Appropriate corrective measures may include, but are not limited to: adjusting or reallocating responsibilities between members of the Board of Directors; replacing certain members; recruiting additional members; possible measures to mitigate conflicts of interest; training single members; or training for the Board of Directors collectively to ensure the individual and collective suitability of the Board of Directors.

174. In any case, the Bank of Greece shall be informed without delay of any material shortcomings identified concerning any of the members of the Board of Directors and the Board of Directors' collective composition. The institution shall also inform the Bank of Greece about any shortcomings identified regarding key function holders, where they are not part of the Board of Directors. The information shall include the measures taken or envisaged to remedy those shortcomings and the timeline for their implementation.

Title IX - Other provisions

175. The Bank of Greece may request from the liable persons additional data, information and clarifications reasonably required for the purposes of this Act, whenever deemed necessary, and such information shall be provided to the Bank of Greece without delay.

176. The Bank of Greece may request the liable persons to submit the questionnaire set out in Annex I or II hereto for supervisory assessment purposes, whenever deemed necessary, and such questionnaire shall be provided to the Bank of Greece without delay.

177. For the assessment of liable persons' applications pending at the time of the entry into force hereof, the provisions of Chapter C of Executive Committee Act (ECA) 142/11.6.2018 and, where applicable, the "Questionnaire for the fit and proper assessment of members of the Board of Directors and of key function holders" set out in Annex II of ECA 142/11.6.2018 or the "Questionnaire for the Fit and Proper Assessment of Members of the Board of Directors and Key Function Holders of Significant Institutions" set out in ECA 205/1/18.05.2022 shall apply, as in force prior to the entry into force hereof.

178. The certificates submitted for the purposes hereof should have been issued by legally authorised persons, officially authenticated, and be in or translated into Greek or English.

179. The certificates submitted for the purposes hereof may be varied in duly justified cases, in particular in the case of foreign persons where it is proved that it is legally impossible to produce the certificate or for reasons of force majeure.

180. The Banking Supervision Department of the Bank of Greece and the Supervised Institutions Inspection Department of the Bank of Greece, within their scope of



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

competence, are authorised to provide instructions and clarifications regarding the implementation hereof.

181. This Act and the Annexes hereto, which form an integral part hereof, shall be published in the Government Gazette and posted on the website of the Bank of Greece.

Title X – Repealed and amended provisions

182. As from the entry into force of this Act, the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders" set out in Annex II of ECA 142/11.6.2018 shall be repealed and, subject to the provisions of paragraph 11 of Chapter C of Title I hereof regarding the AML/CTF officer under article 38 of Law 4557/2018, any reference thereto shall be understood as a reference to the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of significant institutions" set out in Annex I hereto in the case of significant credit institutions established in Greece, significant financial holding companies and significant mixed financial holding companies under Article 22A of Law 4261/2014 and to the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annex II hereto in the case of less significant credit institutions established in Greece, less significant financial holding companies, less significant mixed financial holding companies under Article 22A of Law 4261/2014, as well as financial institutions established in Greece whom the relevant Acts require to submit the said questionnaire set out in ECA 142/11.6.2018.

183. As from the entry into force hereof, Chapter C of ECA 142/11.6.2018 shall be repealed and any reference thereto shall be understood as a reference hereto.

184. ECA 205/1/18.05.2022 "Adoption of the Questionnaire for the Fit and Proper Assessment of Members of the Board of Directors and Key Function Holders of Significant Institutions" (Government Gazette B' 2539) is hereby repealed and any reference thereto shall be understood as a reference hereto and to Annex I hereto.

185. ECA 142/11.6.2018 "Procedures for (a) the authorisation of credit institutions in Greece; (b) the acquisition of, or increase in, a holding in credit institutions; and (c) the taking up of a post as a member of the board of directors and as a key function holder of credit institutions" (Government Gazette B 2674) shall be amended as follows:

a. The title of ECA 142/11.6.2018 shall change to: "Procedures for (a) the authorisation of credit institutions in Greece; and (b) the acquisition of, or increase in, a holding in credit institutions".

b. Paragraph 1(c) of Chapter A shall be replaced to read as follows:



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

“c) The submission of the completed questionnaires set out in Annex II hereto by the persons referred to in subparagraphs (a) and (b) of paragraph 2 below and, where applicable, the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of significant institutions" or the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annexes I and II to ECA 224/1/21.12.2023, by the persons referred to in paragraphs 8, 9 and 10 of said ECA, along with the documentation specified therein.”

c. Paragraph 2(c) of Chapter A of ECA 142/11.6.2018 shall be repealed.

d. Paragraph 10 of Title I of Chapter B of ECA 142/11.6.2018 shall be replaced to read as follows:

“10. If the proposed acquirer plans to appoint new members to the board of directors as a result of a proposed acquisition of a qualifying holding, he shall notify to the Bank of Greece both his intention and the new members, if they are known to him. These persons shall submit to the Bank of Greece, as appropriate, the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of significant institutions" or the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annexes I and II to ECA 224/1/21.12.2023. These persons shall be assessed by the Bank of Greece within the deadline provided for in Article 23 of Law 4261/2014. If the new persons are not known at the time of the application for the proposed acquisition, their assessment shall be conducted in accordance with the provisions of ECA 224/1/21.12.2023 subsequent to the approval of the application for the proposed acquisition.”

e. Paragraph 6 shall be inserted to Chapter D of ECA 142/11.6.2018 to read as follows:

“6. The certificates submitted for the purposes hereof may be varied in duly justified cases, in particular in the case of foreign persons where it is proved that it is legally impossible to produce the certificate or for reasons of force majeure.”

186. ECA 190/1/16.6.2021 “Terms and conditions for granting approval or exemption from approval of financial holding companies or mixed financial holding companies under Article 22A of Law 4261/2014” (Government Gazette B 2938) shall be amended as follows:

a. After paragraph 1(b) of Chapter B, a new subparagraph b1 shall be inserted to read as follows:

“b1) The “Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of significant institutions” or the “Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions” set out in Annexes I and II of ECA



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

224/1/21.12.2023, as appropriate, completed by the persons specified in paragraph 2A of this Chapter, along with the documentation specified therein.”

b. Paragraph 2(c) of Chapter B shall be repealed.

c. After paragraph 2 of Chapter B, a new paragraph 2A shall be inserted to read as follows:

“2A. The members of the Board of Directors of the holding company, as well as the persons referred to in paragraph 1(d) of this Chapter provided that they are not members of the Board of Directors, shall be obliged to complete and submit the questionnaires referred to in paragraph 1(b1) of Chapter B.”

d. Paragraphs 3, 4 and 5 of Chapter D shall be replaced to read as follows:

“3. Natural and legal persons, who are required to complete a questionnaire under paragraphs 2 and 2A of Chapter B hereof, shall immediately notify the Bank of Greece in writing of any change in material information that could affect their suitability for the position they hold.

4. The Bank of Greece may request the persons subject to the requirements of paragraphs 2 and 2A of Chapter B hereof to submit the relevant questionnaires, as appropriate, for supervisory assessment purposes, whenever deemed necessary.

5. The provisions of Chapter B of ECA 142/11.6.2018 and ECA 224/1/21.12.2023 shall apply proportionally to the persons referred to in paragraphs 2 and 2A, respectively, of Chapter B hereof.”

e. Paragraph 9 shall be inserted to Chapter D of ECA 190/1/16.06.2021 to read as follows:

“9. The certificates submitted for the purposes hereof may be varied in duly justified cases, in particular in the case of foreign persons where it is proved that it is legally impossible to produce the certificate or for reasons of force majeure.”

187. ECA 178/1/2.10.2020 "Terms and conditions for the authorisation of microfinance institutions – Qualifying Holdings" (Government Gazette B' 4315) shall be amended as follows:

a. Subparagraph (h) of paragraph 2 of Chapter A shall be replaced to read as follows:

“h) Submission of the completed and signed questionnaires set out in Annex II of ECA 142/11.6.2018, in accordance with paragraph 2(i) and the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less important institutions" set out in Annex II of ECA 224/1/21.12.2023 in accordance with paragraph 2(j) of this Chapter, accompanied by the relevant required documentation.”

b. Paragraph 2(i)(cc) of Chapter A shall be repealed.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

c. After paragraph 2(i) of Chapter A, a new subparagraph (j) shall be inserted to read as follows:

“j. The "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annex II of ECA 224/1/21.12.2023 shall be submitted by the following persons: (i) all the members of the Board of Directors of the institution, at least two of whom, one non-executive member and one executive member, shall have proven knowledge and experience in credit risk management matters; (ii) the officer of the applicant institution who shall be responsible for compliance with the anti-money laundering and counter terrorist financing legislation under Article 38 of Law 4557/2018 (hereinafter the “AML/CTF officer under Article 38 of Law 4557/2018”); (iii) the head of the Internal Audit function.”

d. Paragraph 6 of Chapter C shall be replaced to read as follows:

“6. The provisions of ECA 224/1/21.12.2023 shall apply proportionally to the persons referred to in paragraph 2(j) of Chapter A hereof.”

e. Paragraphs 9.2 and 9.3 of Section 9 of Annex I shall be replaced to read as follows:

“9.2. Please attach, as Attachment 31, the "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annex II of ECA 224/1/21.12.2023, in accordance with the provisions of paragraph 2(j) of Chapter A hereof this Act.

9.3. Please attach, as Attachment 32, a document containing information on the suitability assessment of the persons described in paragraphs 2 (j) (i), (ii) and (iii) of Chapter A hereof.”

188. ECA 193/1/27.9.2021 "Terms and conditions for the authorisation of: a) financial leasing companies, b) credit companies and c) factoring companies - Qualifying holdings - Repeal of Governor's Act 2622/21.12.2009 “Authorisation requirements and supervision rules for: (a) financial leasing companies, (b) credit companies and (c) factoring companies” and of other Bank of Greece Governor's Acts” (Government Gazette B' 4642) shall be amended as follows:

a. Paragraph 1(g) of Chapter A shall be replaced to read as follows:

“g) Submission of completed and signed questionnaires set out in Annex II of ECA 142/11.6.2018 and the "Questionnaire for fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annex II of ECA 224/1/21.12.2023, in accordance with paragraphs 2 and 2A of this Chapter respectively, along with the documentation specified therein.”

b. Paragraph 2(c) of Chapter A shall be repealed.

c. After paragraph 2 of Chapter A, a new paragraph 2A shall be inserted to read as follows:



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

“2A. The "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annex II of ECA 224/1/21.12.2023 shall be submitted by the following persons:

- (i) at least two (2) persons who effectively direct the applicant's business, as defined in Article 13(1) of Law 4261/2014, and participate in the applicant's Board of Directors as executive members;
- (ii) the other members of the applicant's Board of Directors;
- (iii) the key function holders of the applicant (if different from the persons referred to in points (i) or (ii) above).

For the purposes of this Act, the key function holders are:

- The Head of the Internal Audit function;
- The Head of the Risk Management function;
- The Head of the Compliance function;
- The Chief Financial Officer;

iv) the officer of the applicant who is responsible for compliance with the provisions of the legislation on the prevention and suppression of money laundering and terrorist financing pursuant to Article 38 of Law 4557/2018 (hereinafter the "AML/CTF officer under Article 38 of Law 4557/2018")."

d. Paragraph 4 of Chapter C shall be replaced to read as follows:

“4. The provisions of ECA 224/1/21.12.2023 shall apply to the persons referred to in paragraph 2A of Chapter A of this Act.”

e. Paragraphs 8.2 and 8.3 of Section 8 of Annex I shall be replaced to read as follows:

“8.2. Please attach, as Attachment 29, the "Questionnaire for fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annex II of ECA 224/1/21.12.2023, in accordance with the provisions of paragraph 2A of Chapter A of this Act.

8.3. Please attach, as Attachment 30, a document containing information on the suitability assessment of the persons referred to in paragraphs 2A (i) to (iv) of Chapter A of this Act”.

189. Paragraph 1(c) and the statement set out in Section III “Procedure for assessing skills and suitability” set out in the Annex to ECA 48/24.3.2015 “Addition of the privacy statement of the European Central Bank to the requirements of ECA 22/12.7.2013 and Article 33 of Law 4261/2014” (Government Gazette B 867) shall be repealed.



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

190. ECA 58/18.01.2016 “Establishment and operation of branches of credit institutions based in third countries – Prudential supervision – Withdrawal of authorisation” (Government Gazette B 179) shall be amended as follows:

a. After paragraph 8 of Chapter C, a new paragraph 9 shall be inserted to read as follows:

“The provisions of ECA 224/1/21.12.2023 shall apply proportionally to the persons referred to in paragraph 3 d) to f) of Chapter A of this Act.”

b. Paragraph 4 of Chapter A shall be replaced to read as follows:

“4. Submission by the credit institution of the “Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions” set out in Annex II to ECA 224/1/21.12.2023 for the persons referred to in paragraph 3(d)-(f) above, duly filled out and accompanied by the required documentation. These persons shall be assessed by the Bank of Greece in accordance with Articles 13(1) and (2) and 15(1) of Law 4261/2014.”

191. ECA 164/2/13.12.2019 “Terms and conditions for (a) the authorisation of payment institutions and e-money institutions and for the registration of account information service providers in Greece; (b) the acquisition of, or increase in, or sale of a qualifying holding; (c) the taking up of a post in the board of directors and other posts; (d) the stipulation of the minimum monetary amount of the professional indemnity insurance or other comparable guarantee; (e) supervisory rules; and (f) keeping of a public register under Article 14 of Law 4537/2018” (Government Gazette B 4981) shall be amended as follows:

a. Paragraph 1 of Chapter VII shall be replaced to read as follows:

“1. The provisions of ECA 224/1/21.12.2023 shall also apply proportionally to the members of the board of directors and key function holders of PIs, AISP and EMIs established in Greece, as defined herein”.

192. Bank of Greece Governor’s Act 2541/27.2.2004, “Codification and amendment of Bank of Greece Governor's Act 2440/11.1.1999 “Establishment and operation of bureaux de change in Greece by sociétés anonymes other than credit institutions”, as currently in force” (Government Gazette A 87) shall be amended as follows:

a. Paragraph 2(b) of Chapter I shall be replaced to read as follows:

“B) The “Questionnaire for the assessment of the proposed acquisition of a holding by natural persons” or the “Questionnaire for the assessment of the proposed acquisition of a holding by legal persons”, as appropriate, set out in Annex II of ECA 142/11.6.2018, filled out, signed and accompanied by the required documentation respectively, shall be submitted by the shareholders, whether natural or legal persons, with direct or indirect qualifying holdings, as defined in subparagraph 33 of paragraph 1 of Article 3 of Law 4261/2014, in the company.”



BANK OF GREECE
EUROSYSTEM

THE EXECUTIVE COMMITTEE

b. Paragraph 2(c) of Chapter I shall be replaced to read as follows:

“c. The "Questionnaire for the fit and proper assessment of members of the Board of Directors and key function holders of less significant institutions" set out in Annex II of ECA 224/1/21.12.2023, by the following persons:

(aa) the members of the Board of Directors of the Company;

bb) The head of the Internal Audit function;

cc) The head of the Risk Management function;

dd) The head of the Compliance function;

ee) The Chief Financial Officer;

ff) The AML/CTF officer under Article 38 of Law 4557/2018 (Government Gazette A 139).”

c. Paragraph 2(d) of Chapter I shall be repealed.

d. After paragraph 9 of Chapter III, new paragraphs 10 and 11 shall be inserted to read as follows:

“10. The provisions of ECA 224/1/21.12.2023 shall apply to the persons referred to in paragraph 2(c) of Chapter I of this Act.

11. The provisions of Chapter B of ECA 142/11.6.2018 shall apply to the persons referred to in paragraph 2(b) of Chapter I of this Act.”

e. Paragraph 1 of Chapter IV shall be repealed.

THE SECRETARY

THE MEMBERS

THE CHAIRMAN
Yannis Stournaras

True and Exact Copy
Athens, 18.01.2024
The Secretary
[signed]
I. Pantou