

Order N151/04
Of President of National Bank of Georgia

October 31, 2022

Tbilisi

On Approval of the Regulation on the Suitability Criteria for Administrators of Commercial Banks

According to the article 15, paragraph 1 sub paragraph "g" of Organic Law of Georgia "On the National Bank of Georgia", article 5, articles 14 and 15 of the Law of Georgia "On the Activities of Commercial Banks" and article 25, paragraph 1 subparagraph "b" of the Organic Law of Georgia "On Normative Acts", I order:

Article 1

The regulation on the suitability criteria for administrators of commercial banks together with the attached annexes be approved.

Article 2

The order N50/04 of the President of the National Bank of Georgia dated June 17, 2014 "On the Approval of the Regulation on the Suitability Criteria for Administrators of Commercial Banks " be declared invalid.

Article 3

The existing administrators of the commercial bank and the commercial bank meet the requirements defined by the regulation approved by this order and submit to the National Bank of Georgia the information/documentation provided by the regulation approved by this order and the internal policies/procedures confirming the compliance of the administrators with the updated requirements until August 1, 2023.

Article 4

The administrative proceedings related to the assessment of the suitability of the administrators in the National Bank of Georgia before this order enters into force shall be completed in the manner existing before the entry into force of this order. In the case provided for in this article, the administrators and the commercial bank shall meet the requirements defined by the regulation approved by this order and submit to the National Bank of Georgia the information/documentation provided by the regulation approved by this order and the

internal policies/procedures confirming the compliance of the administrators with the updated requirements until August 1, 2023.

Article 5

This order shall take effect immediately upon publication.

President of National Bank

Koba Gvenetadze

Regulation on the Suitability Criteria for Administrators of Commercial Banks

Article 1. General provisions

1. The Regulation on the Suitability Criteria for Administrators of Commercial Banks (hereinafter - the Regulation) determines the Suitability criteria for the administrators of commercial banks and foreign bank branches (hereinafter - the Bank) operating in Georgia and the issues of submitting information on suitability to the National Bank of Georgia (hereinafter - the National Bank).

2. The administrators of the bank shall conduct the affairs of the bank in good faith, shall take care of the bank in the way that a fair and sane person in similar circumstances would take care of it, and shall act in accordance with the interests of the stability of the bank. Administrators should manage the bank's activities reasonably and independently, in accordance with the standards and requirements established by the legislation of Georgia.

3. In order to ensure the financial stability of the bank and timely fulfillment of the assigned obligations, the individual administrators of the bank, as well as the supervisory board and the directorate of the bank (hereinafter - the governing bodies) must comply with the Law of Georgia "On the Activities of Commercial Banks", this regulation and the criteria and requirements defined by "Corporate Management Code of Commercial Banks" approved by Order N215/04 of September 26, 2018 of the President of the National Bank of Georgia.

4. When assessing the suitability of administrators, the Bank and the National Bank are guided by the principle of proportionality, which refers to the assessment of suitability criteria according to the size of the bank, internal organizational structure, risk profile and complex nature. The principle of proportionality does not apply when evaluating the criteria of good reputation, honesty and integrity. 5. In accordance with the Law of Georgia "On the Activities of Commercial Banks", a person who does not meet the suitability criteria for bank administrators cannot be appointed as a bank administrator, and/or by the decision of the relevant authorized body - the general meeting of shareholders, the supervisory board or the board of directors, must be dismissed from the position of bank administrator.

6. The general meeting of shareholders and the supervisory board of the bank must ensure that the management bodies are staffed with members who meet the suitability criteria established by this regulation and Georgian legislation, and their knowledge and experience ensure the collective suitability of the management body.

Article 2. Suitability criteria of bank administrators

1. The person to be appointed to the position of bank administrator, as well as bank administrators during the entire period of being in the position, must meet the following Suitability criteria defined by Article 5 of the Law of Georgia "On Commercial Banks Activities":

- a) Good reputation, honesty and integrity, in accordance with article 3 of this regulation;
- b) appropriate knowledge, skills and experience necessary for conducting banking activities, in accordance with article 4 of this regulation;
- c) independence of mind, which refers to the the ability to make decisions based on independent and objective judgment, assess decisions made by other members of management and avoid conflicts of interest, in accordance with article 5 of this regulation;
- d) Sufficient time to fulfill one's duties properly, in accordance with article 6 of this Regulation;
- e) the number of simultaneously held positions, in accordance with article 7 of this regulation.

2. When determining the suitability of a person for a specific position of administrator, the importance of the relevant position and its specificity shall be taken into account. The level and specificity of relevant knowledge, skills and experience may vary from position to position.

3. The bank's internal policies/procedures on the selection and appointment of administrators should include the diversity policy provided by the "Corporate Management Code of Commercial Banks" approved by the N215/04 order of the President of the National Bank of Georgia dated September 26, 2018.

Article 3. Good reputation, honesty and integrity

1. The bank administrator must have a good reputation and enjoy trust. A person is deemed to be reputable and reliable unless there are clear, objective circumstances to the contrary.

2. A person is considered to be inconsistent with the criterion of good reputation, honesty and integrity if:

- a) participated in an transaction that caused significant damage to the financial institution and/or violated the rights of depositors or other creditors of the financial institution, and/or caused the financial institution's insolvency or bankruptcy;
- b) misused his/her rights while performing his/her duties in the financial institution;
- c) did not fulfill and/or does not fulfill one or more financial obligations;
- d) is declared insolvent;
- e) has been convicted of a grave or particularly grave crime, financing of terrorism and/or legalization of illegal income or other economic crime;
- f) was recognized as a recipient of support by the court.

3. The assessment of a person's reputation, honesty and integrity, taking into account the presumption of innocence and other fundamental rights, is also based on the analysis of the following circumstances and their combination:

- a) the criminal, administrative, relevant civil proceedings and/or investigative process conducted and/or ongoing against the person, the assessment of which shall take into account the imposed penalties, the involvement of the person and his/her role, mitigating circumstances;
- b) past and current business activity, solvency of the organizations that the person managed, and/or in which he/she owned or owns a significant share and/or has a significant influence; his/her role in the organization's insolvency, if any, as well as the ongoing criminal, administrative, civil proceedings and/or other investigative process against said organizations, the person's involvement and role;
- c) professional reputation, revocation of license/registration/membership related to trade, business and professional activities, disciplinary responsibility, dismissal from the workplace and relevant reasons;
- d) transparency, openness and readiness to cooperate with relevant supervisory bodies;
- e) any other circumstances that indicate that the person's actions are not in accordance with standards established by Order N13/04 of the President of the National Bank of Georgia dated February 2, 2021 on "On the Approval of the Principles of Ethics and the Code of Professional Conduct of Banking and Securities Market Participants"

Article 4. Necessary knowledge, skills and experience for conducting banking activities

1. Bank administrators must have a higher education in one of the fields/areas such as economics, finance, banking, business administration, auditing, accounting, law, information technology, quantitative methods or other relevant education, relevant skills and experience that is necessary to perform the functions assigned to them.

2. Directors of the bank must have at least 5 years of experience working in a leadership position (head or deputy of a structural unit) in the financial sector, and the experience and skill set of other bank administrators must correspond to the scale and complex nature of the bank's activities.

3. During assessment of the skills, among others, the following necessary skills shall be taken into consideration: decision-making ability, leadership, loyalty, negotiation skills, persuasiveness, teamwork, strategic thinking, sense of responsibility, ability to conduct meetings effectively.

4. Assessment of knowledge, skills and experience includes assessment of a person's ability to understand issues related to bank governance, bank activities and related risks, corporate governance, group structure and possible conflicts of interest in accordance with assigned responsibilities. The aforementioned also includes those areas of activity that are not the direct responsibility of the person, but for which he/she is accountable together with other members of the governing bodies.

5. Knowledge, skills and experience should not be evaluated only by confirming the fact of academic degree and work experience. The assessment should include an analysis of the person's knowledge and experience, taking into account the duties assigned in the past, the specificity, scope and complex nature of the work.

6. When evaluating experience, theoretical and practical experience in the following areas shall be considered:

a) banking sector and financial markets;

b) legal requirements relevant to the financial sector;

c) strategic planning, the bank's business strategy and business plan;

d) audit and accounting;

e) Corporate management, risk management, supervision and control provision.

7. When evaluating the experience of the members of the bank's board of directorate, the following should also be taken into account:

a) the managerial position held in the past and its hierarchical level;

- b) length of chair in the leadership position held in the past;
- c) the type of activity, complexity and organizational structure of the organization in which the person held a leadership position;
- d) his/her competences, responsibilities and scope of decision-making powers in the management position held in the past;
- e) industry knowledge obtained in the relevant field through the occupied position;
- f) number of subordinates.

8. The members of the supervisory board should have the ability to respond constructively to the decisions made by the executive body of the bank and to effectively supervise its activities.

Article 5. Independence of mind

1. Bank administrators must have the ability to make decisions based on independent and objective judgment, evaluate decisions made by other members of the governing bodies and avoid conflicts of interest. Independence of mind also refers to courage, self-confidence and resistance to collective thinking. When evaluating the above, the person's behavior in the past and in the current position is taken into account. Participation in an enterprise related to the bank (owning a share) does not itself refer to non-compliance with the criterion of independence of mind, while taking into account the circumstances specified in paragraph 3 of this article.

2. Within the criterion of independence of mind, additional requirements for independent members of the supervisory board defined by the legislation are not assessed, and it includes the requirement to avoid conflicts of interest to the extent that this may prevent a person from making decisions independently and objectively. In order to avoid conflict of interest:

- a) the director must not be a member of the supervisory board of the same bank;
- b) the member of the directorate/supervisory board should not be the heir of the first and second row of the member of the directorate or supervisory board of the same bank.

3. Assessing the existence of a conflict of interest also involves analyzing the impact on independence of mind of at least each of the following circumstances and their combined effects:

- a) existence of economic interests, which means owning the shares by the administrator and/or the existence of other economic interests in the bank/in the enterprises included in the

banking group and/or with their corporate clients; lending a significant amount to him/her and/or the company he/she owns;

b) personal and professional relationship with the owners of significant shares of the bank;

c) personal and professional relationship with the top management of the bank and/or enterprises included in the banking group;

d) positions held during the last 5 years;

e) personal and professional relationship with external stakeholders related to the bank, such as important consulting and other service providers;

f) membership in the management body of a company or ownership of a share/shares with which the bank/an enterprise included in the banking group has a competitive interest;

g) existence of a business relationship or legal dispute related to the bank/enterprises included in the banking group, its administrators and significant shareholders (within the last 2 years);

h) political influence and activity, which refers to the activities defined by the first paragraph of article 21 of the Law of Georgia "On the Promotion of Prevention of Money Laundering and Financing of Terrorism", as well as membership and/or support of a political union in the form of donations defined by article 25 of the Organic Law of Georgia "On Political Unions of Citizens".

4. Existing and/or future conflicts of interest related to the bank's administrator must be properly disclosed (including with the National Bank), discussed, documented and eliminated in a timely manner by the bank. The administrator shall not exercise the right to vote in the resolution of the issue in respect of which he/she has a conflict of interest.

5. Upon discovering a conflict of interest that may affect the administrator's independence of mind, the bank must immediately notify the National Bank and provide information on the measures taken to eliminate the conflict of interest.

Article 6. Sufficient time to perform one's duties properly

1. Bank administrators should have enough time to perform their duties properly.

2. The director or administrator with other executive functions must be a resident of Georgia as defined by the Tax Code of Georgia. The mentioned request must be satisfied within 7 months from the appointment of the person.

3. In order to assess the existence of sufficient time, at least the following circumstances and their combined effect shall also be taken into account:

- a) The number of managerial positions held simultaneously by a person in various financial and non-financial institutions. This includes alternative membership of governing bodies and/or exercise of authority on behalf of another person;
- b) the scope, type and complexity of the activities of the organization in which the person holds a leadership position;
- c) the number of formal meetings and the person's involvement (which may be confirmed by the minutes of the meeting);
- d) number of leadership positions in organizations whose main activity is non-entrepreneurial (non-commercial) activity;
- e) independent of formal meetings, the number of additional meetings with internal and external stakeholders;
- f) type of specific position (executive director, chairman of the committee) and responsibilities of members of the governing body, holding executive and/or non-executive positions by the person and obligation to attend/participate in meetings;
- g) professional activity and political activity, in accordance with the article 5, paragraph 3, subparagraph "t" of this regulation.

Article 7. Number of simultaneously held positions

The administrator must not be the administrator of another commercial bank, microfinance organization and/or non-bank depository institution - credit union registered in Georgia, unless the said entities are subject to the control of this commercial bank, where he/she holds the position of administrator, or represent the controlling entities of that commercial bank, in which he/she holds the position of administrator. A bank administrator should not be a member of the supervisory board and/or directorate of more than five enterprises. However, one executive position is compatible with two non-executive positions or five non-executive positions are allowed. For the purposes of this clause, positions held in non-commercial (non-profit) organizations are not taken into account. For the purposes of this clause, the following shall be considered as one position:

- a) positions held within one group. For the purposes of this clause, group means a commercial bank, its parent enterprise/enterprises and the commercial bank's subsidiary enterprise/enterprises;
- b) positions in the enterprise/enterprises in which the bank owns a significant share.

Article 8. Collective suitability of governing bodies

1. The combination of members of the governing bodies should ensure that the governing bodies have a proper understanding of the bank's activities and the essential risks related to it. Both the directorate and the supervisory board must meet the mentioned requirement separately.
2. The members of the governing bodies should collectively have the ability to make adequate decisions related to the bank's business model, risk appetite, strategy and financial market.
3. The composition of the Supervisory Board should ensure the possibility of effective supervision of the bank's executive bodies.
4. The composition of the governing bodies should ensure proper knowledge and proper experience of all the areas with which the Bank's activities are related and for which the Bank's administrators bear collective responsibility, in order to ensure that decisions are made on the basis of diversity of opinions and due expertise. This includes at least:
 - a) bank's activity and the essential risks related to it;
 - b) competencies related to industry/financial issues, such as financial and capital markets, financial institution solvency and modeling;
 - c) financial accounting;
 - d) risk management, compliance and internal audit;
 - e) information technology and security;
 - f) local, regional and global markets as needed;
 - g) legal environment;
 - h) managerial skills and experience;
 - i) strategic planning;
 - j) group structure and related risks.

5. The Bank shall carry out a full assessment of the collective suitability of the governing bodies in the cases provided for in article 9, paragraph 4 of this regulation and submit the results of the assessment to the National Bank. Each bank should develop a collective suitability assessment form taking into account its size, complexity and characteristics and agree with the National Bank.

6. The National Bank is entitled, at least once a year, to request a review of the form developed by the bank and make changes as necessary.

Article 9. Obligation of the bank

1. The Bank has the obligation to select/name persons who meet the suitability criteria established by the law and to continuously ensure the suitability of the administrators individually and collective suitability of the governing bodies.

2. The bank, when making a decision on the appointment of an administrator, is obliged:

a) to have the documentation specified by this provision about the person to be appointed and ensure a detailed check of the truthfulness and accuracy of the information contained therein before appointment to the position of administrator, in order to determine the suitability of the person;

b) to determine whether the person to be appointed meets the suitability criteria for administrators before being appointed as an administrator of the bank;

c) not to appoint a person if it turns out that the person to be appointed does not meet the suitability criteria established by this provision and the legislation of Georgia;

d) In order to obtain the appropriate consent, submit to the National Bank the complete information/documentation on the administrators established by this regulation after determining the person's compliance with the criteria for the suitability of the bank's administrators, within 14 working days after the decision on the selection of the administrator, and confirm in writing that he/she is responsible for the truthfulness and accuracy of the information/documentation submitted.

3. The bank is obliged to define in detail in its internal policies/procedures, among other issues related to the management of the bank:

a) Procedures for appointing bank administrators to relevant positions;

b) Suitability criteria of the bank's administrators in accordance with the requirements established by this regulation and the legislation of Georgia, as well as the procedure for the

re-evaluation of the administrators, terms and forms for the assessment of the collective suitability of the governing body;

c) Duties of bank administrators in carrying out specific banking activities, including the list of positions considered as administrators, in accordance with the Law of Georgia "On the Activities of Commercial Banks". The list of mentioned positions is agreed with the National Bank and approved by the Bank's supervisory board;

d) structural unit (or position) of the bank responsible for ensuring compliance with the procedures for appointment to the position of administrator;

e) possible measures necessary to ensure collective suitability of governing bodies.

4. The Bank carries out a complete assessment/re-assessment of the suitability of both individual administrators and management bodies in the following cases:

a) upon obtaining a banking activity license;

b) periodically, at least once a year;

c) in case of a substantial change in the composition of the bank's governing bodies, as well as when there is a significant change in the bank's business model, risk appetite, strategy and/or structure at the individual and/or group level.

5. When appointing a new member of the governing body, the individual suitability of the person to be appointed must be assessed, as well as the impact on the collective suitability of the governing body, in accordance with Appendix N 1 of this regulation; In case of re-appointment of administrators, if the requirements related to the position have changed, and/or if the administrator is appointed to another position, only those administrators whose requirements related to the position have changed should be evaluated, as well as the impact on the collective suitability of the governing body should be evaluated in accordance with Appendix N1 of this regulation.

6. The criterion of sufficient time to properly perform one's duties should be re-evaluated when a person takes an additional leadership position and/or performs new activities, including political activity.

7. The bank is obliged to re-evaluate the suitability even in the event that there is another circumstance that indicates a possible significant change in the suitability of the administrator with the suitability criteria defined by this provision. In the relevant cases provided for in this article, the re-evaluation is carried out only in the part of the changed circumstances and the consequences arising from it. The bank is obliged to properly document the re-evaluation of administrators, which should reflect the results of the evaluation and information about the

measures (if any) to be taken to eliminate the deficiencies identified as a result of the evaluation and the deadlines, and submit the said information to the National Bank. The National Bank is entitled to request the bank to take a specific measure and set a reasonable deadline.

8. If, as a result of the re-evaluation carried out by the bank, it turns out that the person and/or the governing body cannot meet the individual and/or collective suitability requirements defined by this regulation and the legislation of Georgia, the bank is obliged to take measures to ensure the individual and/or collective suitability of administrators and governing bodies, and to inform the National Bank about measures to be implemented and respective deadlines. The National Bank is entitled to request the bank to take a specific measure and to set a reasonable deadline for its implementation. In the case provided for by this paragraph, the bank uses the principle of proportionality to select one of the following measures proportional to the identified deficiency:

- a) Shifting of responsibilities between the members of the governing body;
- b) dismissal and replacement of specific members of the governing body;
- c) taking measures to eliminate conflict of interest;
- d) training of individual members of governing bodies and/or collective training for the governing body;
- e) any other adequate measure corresponding to the goal of elimination of identified shortcomings.

9. Both the initial and subsequent reassessment of the suitability of the administrators is the obligation of the bank, and the National Bank, for supervisory purposes, is authorized, as necessary, to request the bank or to carry out the suitability assessment of the bank's administrators.

10. The bank is obliged to immediately remove the administrator from his/her position if it turns out that he no longer meets the suitability criteria established by this provision and the legislation of Georgia, and the bank does not plan to take any measures. The bank is also obliged, at the request of the National Bank, to immediately remove the administrator from the position held, if, according to the assessment of the National Bank, the measures selected by the bank to ensure suitability are insufficient, and/or the bank did not ensure the implementation of the measures requested by the National Bank within the relevant period, and/or it is obvious that their use by the administrator cannot guarantee suitability.

Article 10. Information/documentation to be submitted to the National Bank and appointment of the administrator

1. In order to assess compliance with the suitability criteria, the documentation/information to be submitted by the bank to the National Bank (in accordance with Annex No. 1 of this provision) must include:

- a) identification data of the person to be appointed;
- b) the name of the position to be held, the job description (in the case of the directorate) and information about the role of the person in the governing body to ensure the functions and duties assigned to him/her and the collective suitability;
- c) a job offer, contract or other relevant document, which must contain the date of holding the position and the period of term in the position;
- d) identification information of the person to be replaced by the person to be appointed (if any);
- e) the written statement of the person to be appointed to the position of administrator, that he/she fully meets the suitability criteria established by this regulation and the legislation of Georgia, and the information submitted by him/her is true and accurate, as well as the proof that the person expresses his/her willingness to be transparent, open, and cooperate with the relevant supervisory bodies in accordance with Annex N2;
- f) a written statement of the governing body authorized to appoint the administrator (in case of delegation of authority in accordance with the law - the relevant structural unit) and a confirmation that they have checked the available information about the administrator, it meets the suitability criteria established by this regulation and the legislation of Georgia, and that the information/ documentation submitted by them, as it may be determined, is true and accurate, in accordance with Appendix N3 of this regulation;
- g) information about the person's qualifications and professional experience (personal resume), which should include information about positions held in the past, relevant duties, nature, scope, complex nature and number of subordinates of work; The resume must be accompanied by relevant documentation confirming the qualification and education of the person;
- h) a certificate of criminal record from the administrative body of all the countries resident of which the person was during the last 10 years. The time elapsed from the issuance of the notification in the territory of Georgia should not exceed 15 calendar days, and in the case of foreign countries - 60 calendar days or the validity period specified in this document, if any; In the event that the National Bank grants conditional consent to the appointment of the

administrator and extends the deadline for complete submission of information/documentation to 6 months, the National Bank is entitled to request the re-submission of the notice of conviction specified in this provision;

i) information about the criminal, relevant civil, administrative proceedings and/or investigative process and the imposed responsibilities against him/her and/or the written statement of the person to be appointed that such fact did not take place;

j) information about past and current business activity and financial situation (information from the credit information bureau, the register of debtors, if any and/or in the form of information otherwise provided by the person), including information about the solvency of the organizations (bankruptcy/enforcement process) that the person to be appointed managed, and/or in which he/she owned or owns a significant share and/or has significant influence, and/or a written confirmation that such has not occurred; In addition, it shall confirm the completeness of the submitted documents;

k) information about cancellation of license/registration/membership related to business and professional activities, dismissal from the workplace and relevant reasons;

l) information about economic and/or other interests (including financial obligations) related to the bank and/or enterprises included in the banking group and/or about personal and/or professional relationships with the owners of significant shares, if any, which may cause a conflict of interest and influence independence of mind, including information about:

l.a) business relationship or legal dispute related to the bank/banking group and/or their administrators and significant shareholders (within the last 2 years);

l.b) the presence of shares and/or other economic interests of corporate clients of the bank/banking group by the person to be appointed;

l.c) granting a loan by a bank/an enterprise included in the banking group to the company in which the designated person owns a significant share;

l.d) personal and professional relationship with the top management of the bank and/or enterprises included in the banking group;

l.e) the positions held during the last 5 years;

l.f) personal and professional relationship with external stakeholders related to the bank, such as important consulting and other service providers;

l.g) about holding a share of a company that has competing interests with the bank/enterprises included in the banking group;

m) information about the nomination of the administrator, in particular, whether the person is nominated by a shareholder with significant influence;

n) information about the political interests and activities of the last 2 years, in particular, about the implementation of donations defined by article 25 of the Organic Law of Georgia "On Political Unions of Citizens", as well as on the activities provided for in the first paragraph of article 21 of the Law of Georgia "On the Promotion of the Prevention of Money Laundering and Financing of Terrorism";

o) information about the measures to be taken by the bank to eliminate the conflict of interest (if any);

p) confirmation that the person to be appointed has enough time to perform his/her duties properly, the following must be submitted to the National Bank:

p.a) information about the minimum time (during the month and annually) that will be devoted by the person to the implementation of the rights and duties related to the bank;

p.b) information about positions (executive, non-executive) held by a person in other organizations, including non-commercial (non-profit) organizations and related responsibilities, as well as information about the size of said organizations and the number of employed persons;

p.c) the necessary time (expressed in days) and the number of related meetings for the one-year period for the implementation of the activities provided for in subparagraph "p.b" of this paragraph;

q) assessment of the individual role of the person in the collective suitability, a list of the members of the governing bodies, a brief description of their respective positions and responsibilities and a justification of how the appointment of the person as an administrator affects the collective suitability of the governing body. In case of inconsistencies and deficiencies, also a description of the measures taken to eliminate them.

2. The documents stipulated by this regulation must be submitted in the form of originals or their notarized copies. Documents issued in a foreign country must also be certified with apostille and/or legalized. In addition, a duly certified translation of the documentation in Georgian must be submitted.

3. The bank is authorized to appoint a person as an administrator only after obtaining the written consent of the National Bank provided for in paragraph 2 of article 11 of this regulation.

4. In accordance with the current legislation, the date of appointment to the position of bank administrator is:

a) for persons subject to registration in the register of entrepreneurs and non-entrepreneurial (non-commercial) legal entities - the date of registration in the register of entrepreneurs and non-entrepreneurial (non-commercial) legal entities;

b) for a person who is not subject to registration in the register of entrepreneurs and non-entrepreneurial (non-commercial) legal entities - the date of issuance of the corresponding document (minutes, order, etc.) of the bank after the approval by the National Bank and/or the date determined by the document.

5. The bank must submit information about the current administrators to the National Bank in accordance with the form developed by the National Bank monthly, within 10 working days from the end of the month. Reports submitted as of December 31 must include information on the financial obligations of the current administrators and must be submitted by January 31.

6. The bank is obliged, at the request of the National Bank, to immediately release the already appointed administrator from the position, if the National Bank has revealed that he/she does not meet the suitability criteria.

Article 11. Rights of the National Bank

1. The National Bank assesses whether the bank's administrators meet the suitability criteria established by this regulation and the legislation of Georgia.

2. The National Bank gives its consent or gives a reasoned refusal to the appointment of the administrator within no more than 30 (thirty) working days after receiving the written information/documents about the administrator.

3. In order to assess the suitability of the administrators, the National Bank has the right to check in detail the veracity and accuracy of the information/documentation submitted by the bank about the administrator, which includes verification of information, clarification and/or request for additional information, interview with the candidate. An interview with the candidate is mandatory when appointing members of the directorate and supervisory board of a systemically important bank.

4. In the case defined by paragraph 3 of this article, depending on the complexity of the issue, the response period can be extended by no more than 30 (thirty) working days, and the bank must be informed about it.
5. The failure of the National Bank to respond within 30 (thirty) working days from the submission of the written documents specified in the first paragraph of article 10 of this regulation automatically refers to giving consent to the appointment of the relevant person as an administrator.
6. If the bank has not fully submitted the necessary documents/information to obtain the approval of the National Bank for the appointment of the administrator, then the National Bank is entitled to set an additional period for the bank to correct the deficiency, no more than two months. During this period, the period provided for in paragraph 2 of this article is suspended and will be renewed upon submission of the relevant documentation to correct the deficiency by the bank. If the deadline set for the correction of the deficiency is missed by the bank, it results in the National Bank's automatic refusal to appoint an administrator.
7. The National Bank is authorized, in exceptional cases, to issue conditional consent to the appointment of an administrator without fully submitting the information/documentation specified in the first paragraph of article 10 of this regulation and to determine the period for the complete submission of information/documentation of no more than 6 (six) months. In the case of incomplete submission of information/documentation within the mentioned period, the conditional consent given for the appointment of the administrator will be automatically revoked from the moment of expiry of the period specified by the National Bank.
8. The bank's decision on the appointment of the administrator is invalid and the bank is obliged to remove the administrator from the position, if the bank did not submit the information/documentation stipulated by this provision to the National Bank, or submitted incorrect/inaccurate information or received a reasoned refusal from the National Bank, but still appointed a person as an administrator.
9. In the case of non-compliance of the already appointed bank administrator with the suitability criteria established by this regulation and the legislation of Georgia, the National Bank has the right to demand the bank to take measures to eliminate the non-compliance and suspend the administrator's right to sign, and if, according to the National Bank's assessment, it is obvious that such measures will be ineffective, to suspend the administrator's right to sign and to request in writing to the bank to temporarily remove or release him from his/her position.

10. In order to ensure the collective suitability of the bank's governing bodies, the National Bank is authorized to require the bank to perform the following actions and to determine the relevant reasonable period:

- a) organization of appropriate teaching/training for administrators and/or governing bodies individually;
- b) transfer of functions between the members of the governing body;
- c) change in the composition of the governing body;
- d) implementation of other adequate measures to eliminate identified deficiencies.

11. In case of failure of the bank to comply with the requirements established by this provision, the National Bank has the right to apply the supervisory measures and/or sanction (monetary fine) provided by the legislation of Georgia to the bank and/or its administrators.