

ARB - Compliance Commission

Bucharest, December 22, 2014

Proposals regarding the Consultation Paper - Principles of Corporate Governance BIS draft October 2014

Principle 2: Membership and qualifications of the management body

Paragraph 45 and 52

We consider that an explanation for the meaning of “sufficient number of independent directors” should be offered, considering that there is no official guidance related to the “sufficiency” criterion.

Paragraph 49

We propose detailing the expression "sufficient time" - especially for members of the management body in its supervision function.

Paragraph 50

In order to have a common approach, we propose stipulating a time period after which the functions previously held are no longer taken into account.

Principle 3: Structure and practices of the management body

Paragraph 60

Considering that such condition might be considered too restrictive, especially when the board is composed by a limited number of members, we propose mentioning clear exceptions on the situations in which the president could have also executive powers.

Paragraph 66 and 70

Given the restrictive nature of these articles, we consider that these provisions are difficult to achieve by credit institutions where the minimum number of members is three. In this regard, we propose: differentiating the applicability of this principle, including the conditions relating to the members independence – according to: individual circumstances of members of the management body and the nature, extension and complexity of the credit institution.

Principle 6: Risk Management

Paragraph 109

Regarding the disclosure requirements in case of removing the Chief Risk Officer, we consider it is necessary to specify whether it refers to: delivering the information to the supervision authority or to the media.